NOVEMBER 3, 1986 THREE DOLLARS

10/21/86 C3950-1A

Forbes

THE 200 BEST SMALL COMPANIES IN AMERICA

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CONGRESSIONAL INFO SER
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Forbes

NOVEMBER 3, 1986
VOLUME 138
NUMBER 10

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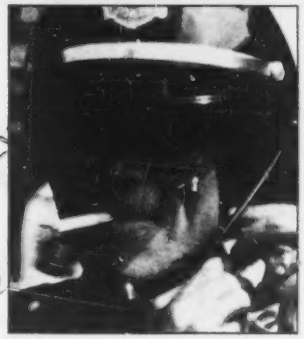

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November 3, 1986 Volume 138 Number 10 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1986 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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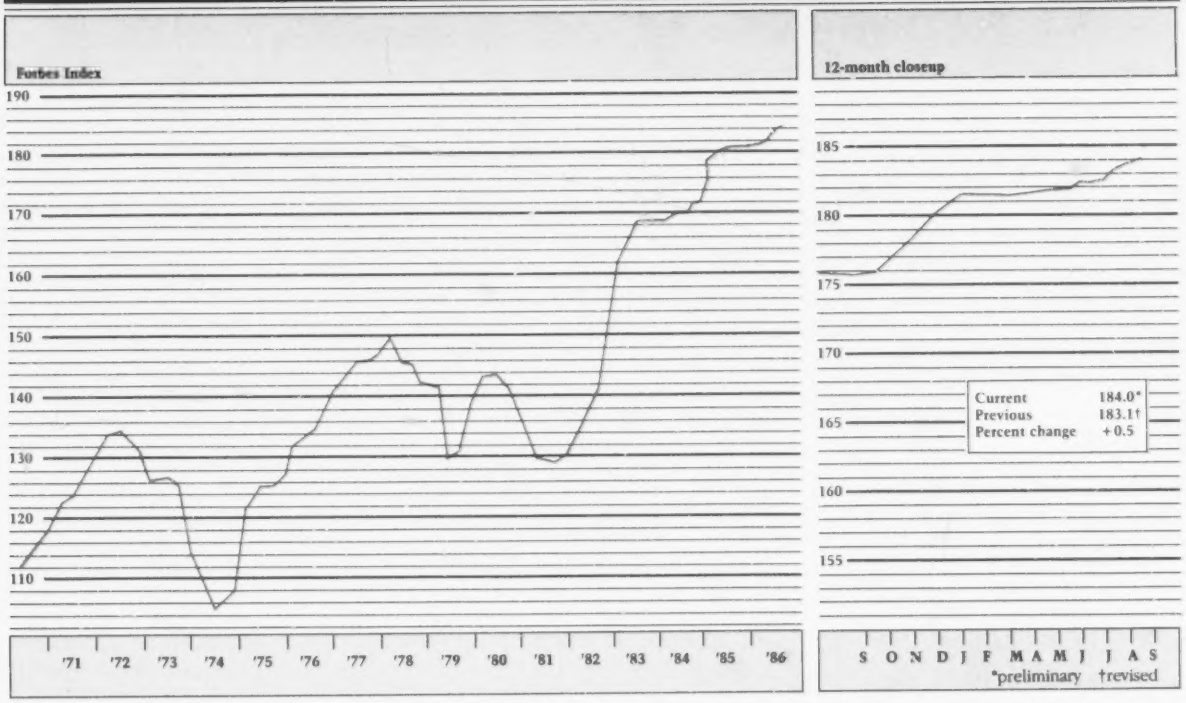
The Forbes Index



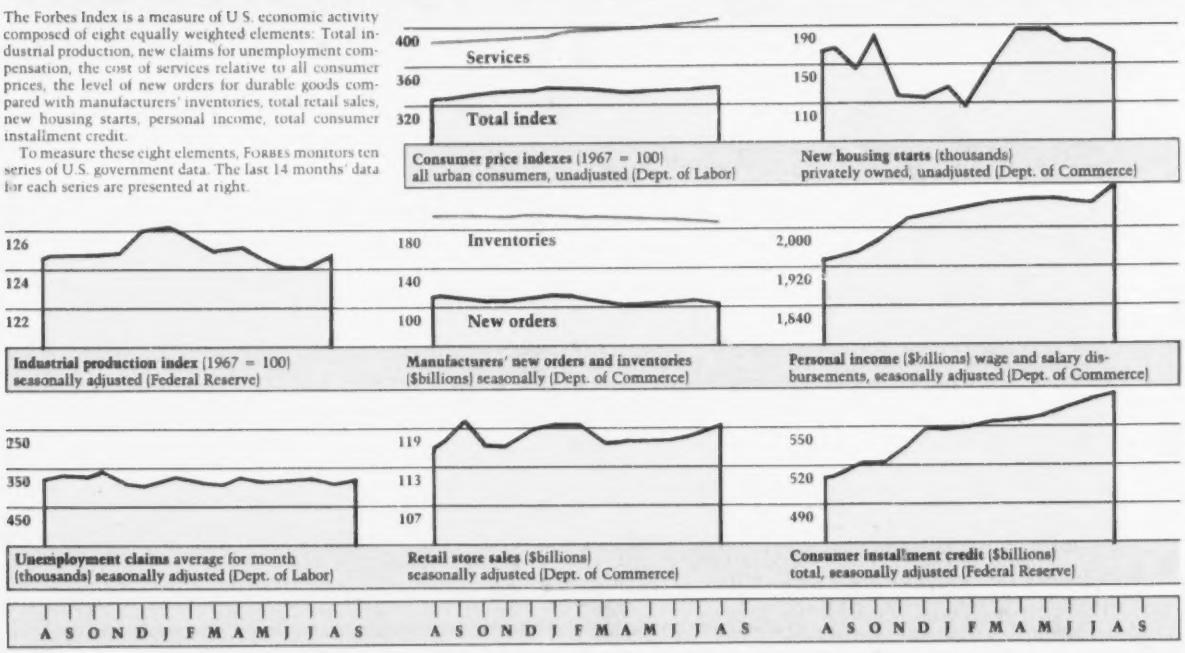
Employment helps. The Forbes Index went up 0.5% during the latest reporting period, the largest gain since January, when the Index rose by 0.6%. Mainly responsible for the increase was a decline in new unemployment claims, which fell 3.7% from August to September, the sharpest month-to-month drop since January.

Two other items also boosted the Index. Consumer installment credit gained 0.7% in August, but should post a bigger gain in September because of auto financing incentives. There was also a 0.2% increase in the ratio of manufacturers' new orders for durable goods to inventories. Since May durable goods orders have gone up 0.3%, while inventories have fallen 0.6%. This could be the beginning of the long-expected lift from the weaker dollar.

The Forbes Index Components

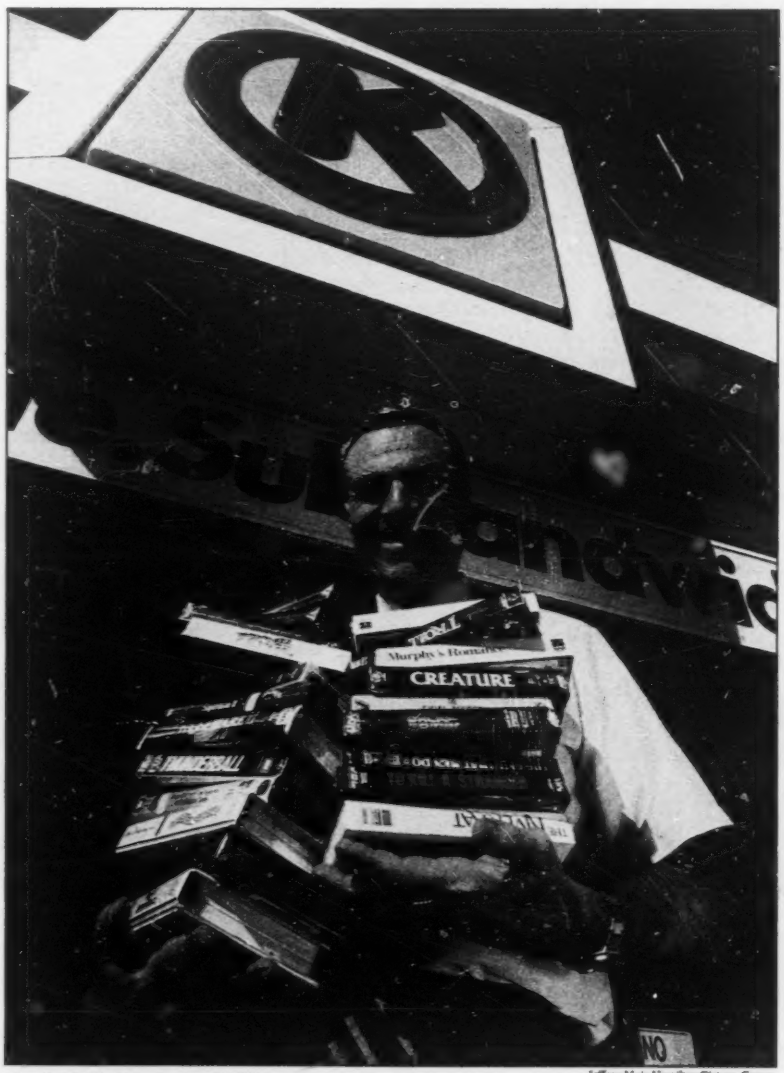
The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Once stores of last resort, convenience stores are retailing's hottest trend. Tough luck, Safeway. Watch out, McDonald's.

Stores for our times



Circle K Chairman Karl Eller
"We are a massive distribution system."

Jeffrey Muir Hamilton/Picture Group

By Lisa Gubernick

IF WE ARE WHAT WE BUY and how we buy it, there is much to be learned about late-20th-century Americans from the convenience store. Until recently these shops were often in the wrong part of town, dimly lit magnets for holdup men, stores of last resort if you were out of milk or low on gas.

But forget the image, which was exaggerated in the first place. Last year 75,000 convenience stores generated $65 billion in sales. A mere decade ago 30,200 stores grossed $8.6 billion.

Fortunes are being made. Five years ago the market value of Circle K, a big convenience store chain, was $127 million. Now it is $601 million.

Why the popularity? To a society where two-income and single-parent families are becoming the norm, the convenience store offers what its name suggests: a method of cramming the most chores into the least time. "We're a massive distribution system," explains Circle K's Chairman Karl Eller, 58. "Whatever we can push through that store, we will."

At a 7-Eleven store you can punch an automated teller machine to get $100 from your bank account, buy groceries, pick up a roast beef sandwich and fill up your gas tank. At a Circle K store in downtown Phoenix you can do all that plus rent the latest videocassette, pick up a Dunkin' Donut and pay for it with a debit card issued by a local bank. No moving from store to store. No parking and reparking the car.

Of the nine publicly owned convenience store chains *(see table, p. 42)*, three are grabbing the best part of the growth. Southland Corp.'s 7-Eleven is the heavyweight. Started in 1946 and first with everything from Slurpees to ATMs, 7-Eleven now owns 8,200 stores (in the U.S. and Canada), grossing $7 billion among them.

But the shares are shifting. "7-Eleven was Godzilla," says V.H. (Pete) Van Horn, president of Houston-based National Convenience Stores (NCS), which owns and operates 958 stores, mainly with the Stop N Go logo. "Now they hear Eller's footsteps."

The reference is to Karl Eller, the entrepreneur who built up Combined Communications and sold it in 1979 to Gannett Co. for $367 million. In 1983 Eller grabbed control of Circle K, which then had 1,221 stores. Now it has 3,435, grossing $2.1 billion.

Carl Lindner's American Financial Corp. bought $30 million worth of

Combined Communications and ended up with 5% of Gannett (now worth over $200 million). He now owns 25% of Circle K and 10% of Van Horn's NCS, the third-largest public chain (Cumberland Farms, with 1,167 stores, is privately owned), and has a 20% position in Sunshine-Jr. Stores, Inc., a 339-store Florida outfit.

In 1980 more than half of Americans shopped for groceries in conventional supermarkets. By 1984 that number had dropped to 39.2%, and it is dropping still. Some of that business shifted to superstores (minimum of 30,000 square feet), where customers accept long lines and skimpy service in return for low prices and vast selections. Convenience stores, by contrast, charge high prices—89 cents for a loaf of bread, vs. 55 cents at a nearby supermarket—but provide the kind of service required by a society in which time has become the most important commodity.

"Convenience stores," says Montgomery Securities analyst Bo Cheadle enthusiastically, "sell customers back their time."

When OPEC created the self-service gas station by making motorists price-conscious, the convenience stores were the unintended winners. They bought out thousands of old full-service-station lots on prime retail corners, increased the number of hoses and added all kinds of other merchandise. Such stations now sell one of every five gallons of gas. Typically, 50% of a store's revenues and 25% of profits are in gasoline.

Gross margins at the pump are now at a historically high 9% to 10%. But no one expects that to last, so convenience chains are busily reducing their gasoline dependence. Fast foods, with gross margins upward of 50%, are the answer.

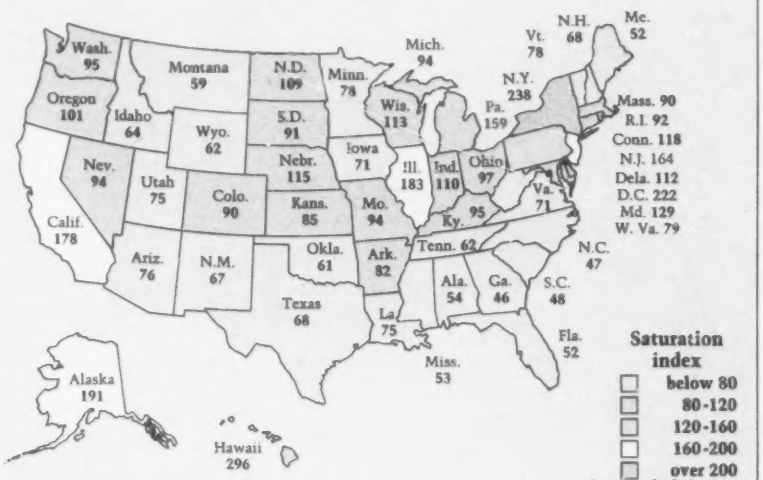
About eight years ago convenience stores started plugging in microwave ovens. The fast-food industry yawned. A mistake. Today convenience stores sell everything from frozen French bread pizza to hamburgers-to-heat. At Circle K, fast food accounted for 6% of sales in 1983. This year: 9%.

This is bad news for McDonald's, Wendy's and the rest of the fast-food industry. Why not gas your car and buy some groceries while you are waiting for your burger to be cooked—all in one place? Convenience stores have already helped slow growth at the golden arches to single digits, spurring McDonald's to test McSnack outlets for the diner on the go.

Food, beer, gas—what else does the modern American consumer need? But of course: the videocassette.

Market potential

The country's average convenience store gets 654 customers each day. Its index is 100. In the map below, any number that is above the average implies there is still room for growth.



Source: CACI Inc.

Videocassette rentals are the newest game on the convenience store circuit. Circle K and 7-Eleven are rolling out videotape rental programs as fast as they can, charging 99 cents on weekdays, $1.99 on weekends. Although selections are limited as yet, "convenience stores will end up the winners," predicts Montgomery Securities' Cheadle, referring to the shakeout now consuming the video rental business. "Those outlets marginally profitable at $3 a tape will have a tough time competing."

A Circle K study shows 55% of the customers coming in to rent cassettes are new customers, and 45% are women. But that's not the best of it. What is? Replies Eller: "They have to come in twice."

On the surface, the convenience store is an undifferentiated product. "We are the worst thieves around," says Ray Cox, senior vice president of Circle K. "As soon as one of us finds something that works, the copycats go to work."

But at the strategy level there are substantial differences. Circle K and NCS, for example, own all their

James Schnepf

Big problem for Big Mac?
Why not get a burger while filling up the tank?

Should you buy?

Below is a list of the nine publicly traded convenience store chains (plus Cumberland Farms, the largest privately held company). Multiples are high, but so is growth.

	Revenues (millions)	Net profits (thousands)	Number of stores	% company-owned stores	P/E	Recent price	52-week high–low
Casey's General Stores	$ 285	$ 6,249	534	58%	22	15⅛	17½– 7⅞
Circle K Corp	2,111	39,800	3,436	97	19	15¼	18⅜– 9½
Conna Corp*	187	2,203	368	19	13	19½	21⅛–11⅛
Convenient Food Mart†	6.5	1,841	1,310	2	20	17½	21⅛– 5½
Cumberland Farms	1,000	—	1,167	100	—	—	—
Dairy Mart Convenience Stores	258	2,217	903	82	36	10½	15⅜– 7
Munford, Inc.	457	5,500	809	100	18	20½	24⅜–15
National Convenience Stores	950	3,582	958	100	67	10⅛	13½– 7¾
Southland Corp	12,790	212,500	7,663	62	21	46⅝	56½–36½
Sunshine-Jr. Stores	183	2,497	340	100	13	21⅜	28⅜–20

*Acquisition by Dairy Mart pending. †Primarily a licensor.

stores, while one-third of the 7-Elevens are franchised.

To build his fast-food volume, Eller is now testing a program with Hooker's Hamburgers, in which a Hooker's franchisee sets up shop alongside a Circle K. The franchisee puts up the capital, paying Circle K rent plus a royalty of 3% of revenues. "Critics say we won't have the synergism of having it inside the store," says Eller. "We say we don't have labor costs."

Eller is going in a similar direction with videocassette rentals. He signed with two independent suppliers. The suppliers worry about acquisition costs and inventory. Eller pays them a minimum of $700 a month per store—which is not too hard to achieve with a 200-tape inventory—after which he gets 30% of rental revenues. On cassettes alone, the average Circle K store probably nets back a little over $1,000 a month.

Unlike Circle K, Southland Corp. is betting its own capital on cassettes. Since April it has invested over $50 million to run its own videocassette service, buying tapes and creating a computerized checkout system. Unfortunately, installation is running months behind schedule.

Southland is also pursuing a different, and more capital-intensive, course in fast food. Southland is now a Hardee's franchisee and is installing separate Hardee's units inside several 7-Eleven stores, doubling the existing staff to handle them. Warns one competitor: "They [7-Eleven] may do 30% more volume, but they'll be hard-pressed to make money after labor costs."

What of NCS? The chain is recovering from a year in which earnings dropped 80%. Credit the sick southwestern economy and a disastrous promotion campaign.

NCS President Pete Van Horn is hinging a turnaround on Hex Stores. These are units that cost about $800,000 to build (roughly 60% more than the average), are about 3,100 square feet, some 600 square feet bigger than the average convenience store and stock around 600 more products. Where most stores have 15 gas hoses, Hexes have as many as 36. Another difference: Each Hex has a four-table dining area. Critics argue that dining areas are wasted space, that diners' parked cars make it hard for customers to get in and out quickly. Van Horn retorts that dining areas keep people in the stores. The longer they stay, the more likely they are to buy a few additional items.

To cover the construction costs, Van Horn recently completed a $40 million debenture offering. But while his new stores are doing about double the business of the average store, half of the typical Hex store's gross comes from gasoline sales.

One threat the convenience chains seem able to live with is the oil companies. Arco, Mobil, Shell and the other 15 majors now operate over 10,000 convenience stores. But milk, hot dogs and tapes are secondary to gasoline. Says Amoco spokesman Neil Geary: "We are gas marketers selling a few impulse items." Even Arco's am/pm stores, 2,400-square-foot units considered to be the best of the oil crowd's stores, rely on gasoline for 80% of their revenues.

Recognizing the virtues of specialization, Mobil is now testing a joint venture with 7-Eleven. Generally, the convenience store leases the property, paying a percentage of revenues to the gas company. This, of course, is much like the arrangement Circle K has with Hooker's.

If the convenience stores do face a threat, the threat is their own image. Open around the clock, and always with a little cash in the till, the convenience store, like the liquor store, has attracted more than its share of violent crime. This tends to frighten away some potential customers. Warranted or not, the poor image is a major reason convenience stores' customers are still mostly male.

The convenience stores are fighting the image problem with redesigns that make stores brighter inside and—more important—flood them with light outside. In a less appealing effort to upgrade its image, 7-Eleven recently trod on the First Amendment when it yanked *Playboy* and *Penthouse* out of company-owned stores.

As the stores add ATMs, dry-cleaning services and airplane-ticket dispensers, the hope is that traffic, of an upmarket sort, will snowball. In a frenetically moving society where time has become more precious than money, the convenience stores have it made. Fast, faster, fastest. ■

Worried about all the Japanese investment in the U.S.? If you want to meet people who are really scared, talk to the Europeans.

Achtung! Achtung! Die Japaner kommen!

By Edwin A. Finn Jr.

FLUSH WITH CASH from their huge trade surpluses, Japanese companies are invading Europe. Everybody wants to take their money, but nobody is happy about the imagined consequences. Last year Japanese companies invested $1.5 billion in European acquisitions and expansion, six times the 1980 level. It's possible that Europe in 1986 will attract even more Japanese investment than the U.S. Japan's total direct investment in Europe, at about $11 billion, remains about half of direct Japanese investment in the U.S. But clearly Europe is gaining *(see chart)*.

Could this signal a change in Japan's longstanding preference for investing in America? Or is it simply that the Japanese have accumulated so much foreign exchange that they are using all possible outlets? Probably the latter. Nissan Motor Corp. recently announced plans for a $500 million expansion of its plant in northern England. Sony Corp. is about to open a compact disk factory in northeastern France. A section of West Germany near Düsseldorf is so crowded with Japanese electronics companies that it has been nicknamed the Junior Silicon Valley.

There's talk that Spain, with its low wages and high unemployment, might be the next site for a major Japanese auto plant. That's particularly intriguing because, as a member of the European Economic Community, Spain has full access to European markets. Hence, the Japanese would be able to skirt European auto import quotas and keep labor costs low. Spanish autoworkers make the equivalent of about $4 an hour, almost as low as in some Third World countries.

Is the Japanese rush to Europe different from America's huge European investments in the 1960s? Yes, says Michiya Matsukawa, a former official in Japan's Ministry of Finance, now chairman of Nikko Securities' research center. "The Americans moved abroad because it was cheap," he says. "For the Japanese, the main reason is to avoid trade friction."

But that's only part of the picture. The now powerful yen makes European wages relatively low, and it makes many acquisitions seem cheap. In addition, Japanese companies find themselves showered with incentives from individual European governments: grants, low-interest loans, training programs and site-development assistance. And from the Japanese government's point of view, these big foreign investments create capital outflows that partially balance the huge foreign currency inflows resulting from Japan's terrifying trade surpluses. The Japanese already hold more U.S. government securities than any other foreign country.

"European governments are fighting each other to get Japanese investment, just like the states in the U.S.," says Sam Nakagama, head of Nakagama & Wallace Inc., a New York City-based economic advisory firm.

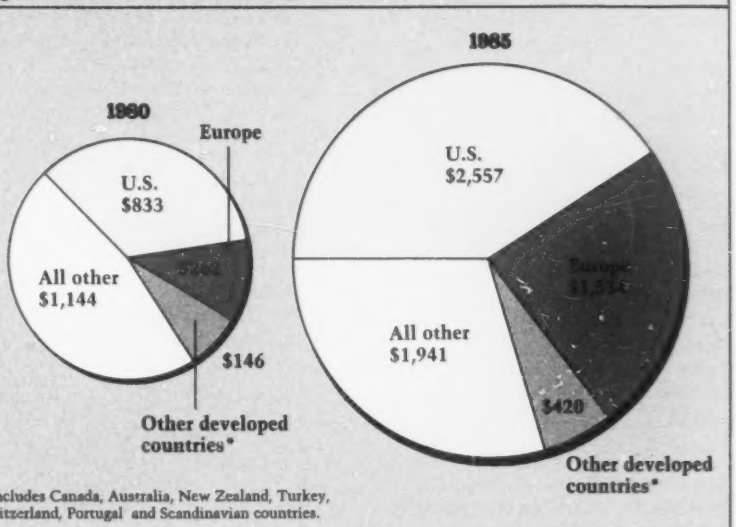
Will the until-now polite and low-profile Japanese soon blossom into doing major corporate takeovers? It's a thought that occurs to a good many eager investment banker types.

Japanese buyouts, partnerships and other investments in the U.S. have become commonplace. But similar moves in Europe seem to stir some xenophobia. Europeans are also concerned about profits forever flowing back to Japan. One European finance minister concedes that young Japanese today don't seem to exhibit the industriousness of the current generation of Japanese managers. Then he adds, "Yes, but by the time the younger generation takes charge, they won't have to work so hard. We'll all be working for them." ■

For Europe, a bigger slice

Yes, Japan's direct investment in the U.S. is growing at a quick clip. But it's expanding at an even faster pace in Europe. Japanese auto plants are springing up in England, electronics factories in France. They create new jobs but stir xenophobia, too.

Japan's direct investments ($millions U.S.)



* Includes Canada, Australia, New Zealand, Turkey, Switzerland, Portugal and Scandinavian countries.

Herewith, the country's 200 best small companies. Their secret: finding a specialty, and staying with it.

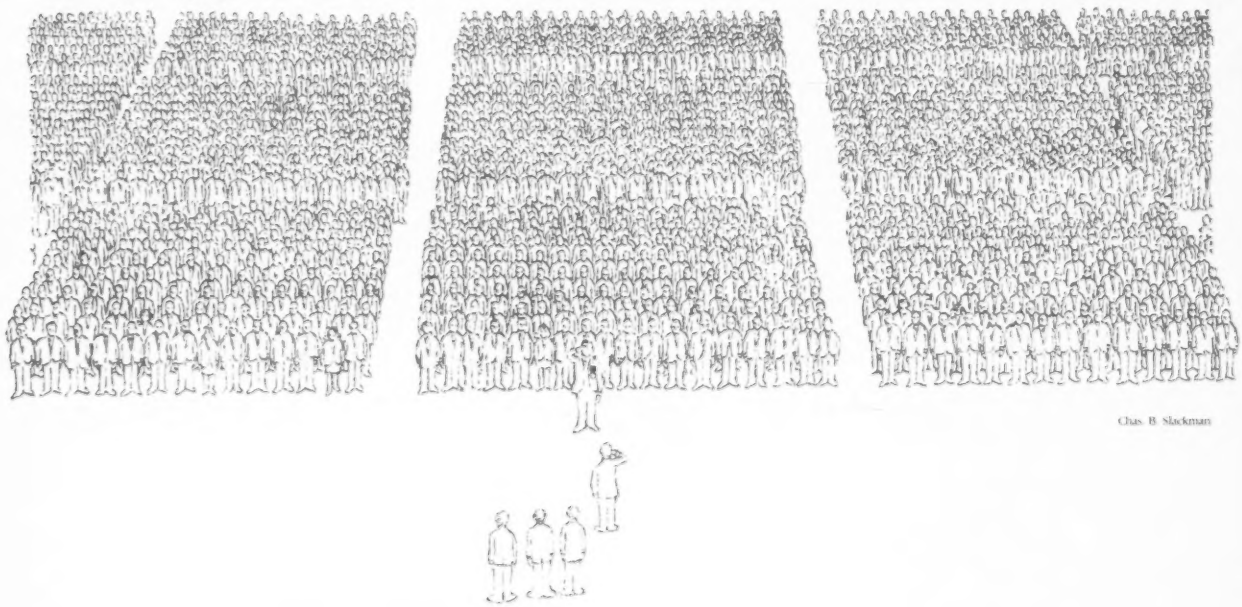
Niche list

By Steve Kichen and Matthew Schifrin

ADAM SMITH, he of *The Wealth of Nations*, would not have been surprised at (1) the high and still rising standard of American living and (2) the country's wealth of prosperous small businesses. The two, Smith understood, go hand in glove.

"The division of labour," wrote the Sage of Glasgow, "so far as it can be introduced, occasions, in every art, a proportionable increase of the productive powers of labour. The separation of different trades and employments from one another seems to have taken place in consequence of this advantage." The division of labor, Smith added, "occasions, in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people."

We think Smith would have liked



Chas. B. Slackman

our annual ranking of the 200 Best Small Companies in America *(see p. 166)*. It is nothing so much as a document of capitalism's continuing drive to divide labor, and so raise productivity and material well-being. It is a list of jobs cleaved from jobs, of niches growing within niches. A niche list, if you will.

Once there was ice cream. Now there is ice cream, superpremium ice cream and, elbowing in between them, premium ice cream. In that $1 billion niche, $103 million (sales) Dreyer's Grand Ice Cream has averaged a return on shareholders' equity of 25% a year over the last five years.

Once there was pizza. Now there is $74 million (sales) Pasquale Food, of Birmingham, Ala., started 31 years ago, that sells uncooked pizzas to supermarkets, which then sell the raw pizzas in their deli departments.

Once a few wealthy people controlled most capital. Now the masses buy mutual funds. Two of the very best of our small companies *(see below)*, Pioneer Group and Eaton Vance, are mutual fund managers.

And so on through our list of niches. Telxon makes hand-held computers for inventory and order entry, and for utility meter checking. Its profits went up more than 60% last year. Graphic Technology, of Olathe, Kans., designs and manufactures custom bar-coded shelf labels. Guilford Industries is a leading supplier of fabric for freestanding office partitions. SafeCard Services sells credit card loss notifications and prepaid legal services to about 8 million of the country's 100 million credit card holders. Just 17 years old, the Fort Lauderdale company earned $14.6 million last year on revenues of $58 million. Latest 12-month return on equity: 43%.

By itself, of course, a niche does not get a company onto our list of the best small companies. To make the grade, a company must have a minimum five-year average return on equity of 10.9%, as defined by William O'Neill & Co., which supplies our raw statistical material. For the latest 12 months, profitability had to be 10% or better. Any company whose earnings fell more than 75% from one year to the following was dropped. Long-term debt must be less than equity. We also required an average annual gain in earnings per share of at least 9% over the past five years, and a five-year average annual sales growth of 8% or better.

Finally, we dropped foreign firms, banks, electric utilities and real estate investment trusts. We also dropped firms with less than five years of earnings history, and those with earnings of less than $1 million during the latest 12 months or with share prices less than $2. Let other magazines pitch the penny stocks.

As you might expect, there is strong representation on the niche list of companies in currently strong industries. From the defense trade, for example, we have American Nucleonics, Anaren Microwave, Atlantic Research, Bolt Beranek and Newman, DBA Systems, Logicon, Orbit Instrument, Radiation Systems and Watkins-Johnson. And, representing the volatile financial markets, are Quick & Reilly, a discount brokerage, Morgan Keegan, a regional securities dealer in the southeastern U.S., and mutual fund managers Dreyfus, Eaton Vance, Franklin Resources and Pioneer Group.

Apparel manufacturers and retailers are also well represented, in part because the return on equity for modestly well managed companies in

The best of the brightest

By virtue of appearing on each of our annual lists of the country's best small companies for five years running, these 14 companies join FORBES' honor roll of small companies. Note that honor roll membership and superior stock performance are not synonymous. Shares of FlightSafety International bought five years ago and held would be up just 27%. But $1,000 invested in Mylan Labs grew to nearly $21,000. In all, $14,000 invested in the group five years back would now be worth $76,521. You could have done worse.

Company	—Return on equity— 5-year average	latest 12 months	Recent price	Yield	Value of $1,000 invested 9/25/81	Chief executive
Pioneer Group	35.1%	32.5%	25¼	1.6%	$4,736	John F Cogan Jr
Mylan Laboratories	33.9	77.7	11⅜	0.6	20,833	Roy McKnight
Dreyer's Grand Ice Cream	25.3	23.8	21	2.0	3,405	T Gary Rogers
SafeCard Services	24.8	42.8	24⅞	1.0	9,159	Peter A Halmos
Eaton Vance	22.0	27.7	18½	1.3	6,435	Landon T Clay
Postal Instant Press	20.9	24.0	13¼	1.5	1,987	Thomas C Marotto
FlightSafety International	20.5	19.1	21⅜	0.9	1,266	Albert L Ueltschi
Bolar Pharmaceutical	19.1	18.8	22½	0.2	3,938	Robert Shulman
Medex	18.9	14.7	8	0.8	1,684	Craig Waldbillig
Stryker	17.7	19.1	34	—	4,341	John W Brown
Pansophic Systems	17.0	16.3	28	—	2,605	David J Eskra
Mentor	15.1	12.7	14¼	—	10,690	Christopher J Conway
Spectrum Control	14.7	17.7	11⅛	0.6	2,171	Thomas L Venable
Spectradyne	12.8	15.2	16	—	3,273	Howard T Buchanan
Total					$76,521	

Source: FORBES

Richard Wood

John Cogan Jr., president of Pioneer Group
Volatile financial markets, enviable profits.

these businesses is usually high. In this category are Cherokee Group, a manufacturer of women's footwear and apparel; Deb Shops, a rapidly expanding Philadelphia-based chain of junior sportswear; Connecticut's Dress Barn; Georgia's Banker's Note, which runs some 40 moderate- to high-priced women's specialty shops.

How do our best little companies do as investments? Exceedingly well, sometimes. In 1980 Service Corp. International traded as low as 1½ on a split-adjusted basis. Shares now trade around 32. The market value of Pittsburgh-based Mylan Labs, which manufactures generic drugs, has increased twentyfold in five years. Other big stock market winners were COMB and Cherokee Group—both previously featured as Up & Comers *(see, respectively,* FORBES, *Sept. 16, 1985 and Feb. 24, 1986)*.

But no intelligent investor need be reminded that past performance does not guarantee future performance. We asked our computer: How would we have done had we bought $1,000 worth of stock in each of last year's 200 best companies? The computer was not kind. An equal-weighted portfolio would have gained 27.5%, about in line with the 27% gain in the Wilshire 5000.

What that means, of course, is that for every Service Corp., Franklin, COMB and Cherokee, there were some real disasters: Computer Products, down 41%; Cullinet Software, down 61%.

Which leads to the most interesting question of all. How do good little companies become bad little ones?

There are many reasons. In the case of Tandon Corp., our own cross to bear [FORBES, *Nov. 7, 1983 and Aug. 12, 1985*], the stock fell 91% since 1983. Jugi Tandon may indeed be a brilliant entrepreneur. But he relied too heavily on one buyer, IBM. He also failed to adapt when his main product—floppy disk drives—became a commodity.

A company's industry obviously has something to do with it. Take oil services. Only two years ago tiny GTS Corp., a Houston-based oilfield service firm, ranked number one on our Best 200 list. Now GTS' sales have declined sharply with the rest of the industry, and it is losing money.

Susan Greenwood/Gamma Liaison

Mylan Labs' Roy McKnight
No diversification into the rough.

Note, however, that over seven computer equipment companies made our list, primarily because they are in niches where business is still strong. QMS, to take but one example, makes and markets a wide range of laser printers.

But the greater danger lies in the temptation to stray from a profitable niche. A classic example here is New York's Reeves Communications, which was ranked number 11 on our 1983 list. Reeves is in syndicated TV programs; it produces situation comedies such as *Kate and Allie* and *Gimme A Break*. A hot business. Yet over the last four years, Reeves stock has collapsed, from nearly 29 in 1982 to a recent 9.

Reeves' problem? It tried to crawl into someone else's niche. In 1981 Reeves' Chief Executive Marvin Green Jr. paid handsomely for a European book and merchandise mail order business. What hubris: Reeves had no experience in mail order, let alone overseas. To seal Green's fate, the dollar began surging. Last year Reeves lost $73 million and Green finally extricated Reeves from mail order.

SafeCard Services, a member of our honor roll, nearly blew it but reacted in time. SafeCard has survived one botched diversification attempt. A business that offered low-rate, long-distance telephone services to credit

Robert Kaufman

Gary Rogers of Dreyer's Ice Cream
"Like David against Goliath."

card holders was a bust. "We tried to run something we didn't fully understand," says SafeCard Chairman Peter Halmos. "By the time we really understood it, we saw that our margins were shrinking and we were about to lose money on every call." SafeCard got out of the business with only a $3 million writedown.

Arthur D. Perrone Jr., president of Geneva Business Services, a leading middle-market merger and acquisition firm in Costa Mesa, Calif., thinks straying from one's niche is the most lethal trap for otherwise sound little companies. "For smaller to midsize companies," warns Perrone, "the resources that it takes financially, organizationally and emotionally to go into businesses outside one's niche are underestimated in most cases."

William LeVine, 66, founder of honor roll member Postal Instant Press, of Los Angeles, agrees. With over 1,100 franchised PIP centers nationwide, PIP has a 5% share of the $4 billion instant printing market. Unlike other successful franchisers, LeVine refuses any form of diversification. "We are in the printing franchising business, not the retailing business."

Staying with one's niche does not mean staying still. That way lies ossification and death. The trick is to stick to one's specialty but to continue to improve at it.

Consider honor roll member Mylan Labs. Chairman Roy McKnight believes that as more patents expire, generic drug firms like Mylan will have to diversify to survive. Mylan's biggest boost these days comes from its patented Maxzide, an antihypertensive drug that is grossing about $5 million a month and has nearly 25% of its market. But note that McKnight insists when Mylan does diversify, it will be in health care. Vows he: "We are not going into areas we know nothing about."

Another example: honor roll member Dreyer's Grand Ice Cream. Chairman Gary Rogers' goal is for his company to become the nation's premier distributor of "premium" ice cream. That's priced below the Häagen-Dazs and Frusen Glädjé brands and above the "regular" brands, like Sealtest and store-label brands.

In its premium niche, Dreyer's is battling Dart & Kraft subsidiary Breyers. "They are expanding westward, we are expanding eastward," says Rogers, 44. "It's kind of like David and Goliath." Rather than stand still and be squashed, Rogers recently acquired mid-Atlantic ice cream distributor Berliner Foods Corp. for $8.4 million and bought U.S. distribution rights (outside the northeast) for superpremium Ben & Jerry's ice cream.

Is there any way to tell whether Dreyer's—or any of the other companies—will be on our Best 200 lists in years to come? No guaranteed way. But an amber light is flashing when a company's latest-12-month profitability drops below its five-year average return. Example: Distributed Logic ranked 96th, earned 19.3% on average over five years, but only 13.9% over the last 12 months. In such cases, beware and dig deeply.

There is another advantage behind the division of labor that Adam Smith did not address, namely, the absence in most small companies of stultifying layers of bureaucracy. This is important, for it often enables the smaller companies' managers to move quickly and take advantage of the

Michael Carroll

Eaton Vance Chairman Landon Clay
Riding the mutual fund boom.

Gerald Davis/Contact

Peter Halmos of SafeCard Services
Close call.

tides of relentless change.

Nantucket Industries, for example, manufactures underwear and hosiery, in the U.S. A cutthroat business. Yet over the last five years Nantucket's annual return on equity has averaged 14%. Secret: heavy investment in a highly efficient plant in Randleman, N.C., and smart marketing. Nantucket sells under several designer labels such as Evan Picone, Geoffrey Beene and Ralph Lauren as well as private labels to Zayre and K mart. "We can't compete with foreigners on price," says George Gold, chairman, "but in the hosiery business, style is crucial, and we can get product to stores before foreign manufacturers."

Another example: Lakeland, Fla.-based Sikes Corp., started in 1954. Sikes sells ceramic tiles—mostly knockoffs of European tile designs—under the name Florida Tile. Floor tiles are all made at Sikes' highly automated Shannon, Ga. plant; they aren't touched by human hands until a contractor opens the box to install them. Like Nantucket's Gold, Thomas Williams, Sikes' treasurer and controller, says his company "can't compete with foreign manufacturers on price alone, but we can on service, quality and customer relations."

Will all these companies make the Best 200 list next year? Of course not. But for every one that slows down (or, more happily, grows too large), another will take its place as new niches relentlessly appear and grow. And a good thing, too, if you believe, as did the Sage of Glasgow, that the division of labor "is generally carried furthest in those countries which enjoy the highest degree of industry and improvement. . . ." ■

The 200 Best Small Companies in America

—Rank— this year	last year	Company/business	Return —on equity— 5-year average	latest 12 months	5-year EPS growth rate	Latest 12-mo sales (mils)	profits (mils)	Debt/ equity	—Stock price— recent	12-mo change	Latest EPS	12-mo P/E	Price/ sales	Book value/ share
1	■	**Graphic Technology** bar-coded labels	274.7%	14.0%	29%	$19.8	$1.41	8%	11¾	12%	$0.74	15.9	1.13	$5.30
2	■	**Value Line** financial publishing	158.6	78.1	14	59.9	11.08	81	18¾	–9	1.12	16.7	3.11	1.43
3	■	**Educ Sys & Publications** printing	75.0	83.8	29	4.9	1.05	14	2⅛	–88	0.41	5.2	0.29	1.89
4	1	**Franklin Resources** fund management	63.9	114.4	111	119.9	25.60	2	38½	126	1.80	21.4	4.53	1.59
5	■	**Seaman Furniture** furniture stores	58.6	58.3	48	181.5	12.23	22	35	52	1.85	18.9	1.31	3.08
6	■	**Thor Industries** recreational vehicles	51.3	31.6	48	135.0	5.85	0	13	70	1.15	11.3	0.49	3.65
7	■	**King World Productions** distr & synd of TV progs	39.8	74.0	112	137.1	17.23	9	14⅛	109	0.57	25.2	3.22	0.76
8	■	**Chief Automotive Sys** auto frame repair equip	39.8	33.2	54	36.3	7.05	5	11¼	58	0.62	18.1	3.41	1.93
9	■	**Environmental Sys** pollution cntrl equip & svcs	39.3	25.7	37	66.6	7.54	50	16½	74	0.61	27.0	3.11	2.33
10	10	**Plenum Publishing** publishing	38.9	47.9	31	44.4	11.44	0	53½	21	4.96	10.8	2.77	10.39
11	4	**Alfin Fragrances** markets imported perfumes	38.2	36.1	93	34.8	6.14	13	23¼	119	0.85	27.4	4.46	2.55
12	■	**Dow B Hickam** drugs, health-care supplies	37.5	21.8	43	11.4	2.24	30	14¼	44	0.96	14.8	2.74	4.70
13	■	**Par Pharmaceutical** drugs	37.4	27.0	77	31.9	3.91	39	13¼	–20	0.59	22.5	2.97	2.02
14	■	**Pic'N'Save** closeout mrchds stores	36.7	37.1	25	291.4	41.64	1	19¼	22	1.07	18.0	2.61	2.84
15	■	**Arley Merchandise** home furnishings	35.9	30.7	49	84.3	3.90	61	9⅝	67	0.80	12.0	0.47	3.08
16	5	**Intertrans** freight forwarding	35.6	32.9	79	71.5	2.15	0	15¾	43	0.72	21.9	0.58	2.50
17	9	**American List** student mailing lists	35.5	31.7	22	4.6	1.41	0	11⅛	86	0.51	22.3	6.87	1.60
18	7	**Pioneer Group** fund management	35.1	32.5	24	45.6	9.30	0	25¼	16	1.52	16.6	3.41	4.66
19	■	**Ultimate** computer systems	35.1	29.5	60	150.3	14.20	40	16	41	1.65	9.7	1.04	4.92
20	■	**Sound Warehouse** record, tape & video strs	34.5	23.1	37	131.2	7.53	0	20⅜	26	1.36	15.0	0.83	6.08
21	■	**Russ Berrie & Co** gift items	34.5	27.9	47	217.1	27.20	3	29¾	65	1.85	16.1	2.03	6.57
22	■	**ClothesTime** women's apparel	34.5	49.0	92	135.9	11.06	1	13¾	22	0.77	17.9	1.40	1.63
23	16	**Mylan Laboratories** generic drugs	33.9	77.7	61	86.9	22.66	8	11⅜	15	0.62	18.3	4.76	0.80
24	19	**Neutrogena** cosmetics	33.2	40.7	28	88.8	7.55	0	36	66	0.79	45.6	3.69	2.04
25	8	**Dreyfus** fund management	33.2	28.4	22	196.4	68.05	0	24	12	1.72	14.0	5.36	5.46

■ Not on last year's list.

Sources: William O'Neil & Co.; Forbes.

The 200 Best Small Companies in America

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26	6	**Telerate** security price database	33.1%	25.2%	43%	$191.2	$36.06	0%	18	18%	$0.81	22.2	4.19	$3.22
27	11	**Rent-A-Center** rental of home furniture	31.6	35.1	34	138.5	9.93	70	20⅓	53	0.89	23.0	1.60	2.62
28	14	**Juno Lighting** lighting fixtures	31.1	33.2	40	41.6	7.32	27	27¼	42	1.59	17.1	2.99	4.83
29	■	**Oshkosh B'Gosh Cl A** children's apparel	30.9	35.5	41	177.3	16.87	18	51¼	65	2.32	22.1	2.11	6.52
30	■	**Duquesne Systems** computer software	30.0	41.2	59	19.9	4.16	0	27½	137	0.93	29.6	6.99	2.00
31	■	**JB Hunt Transport** trucking	30.0	26.8	63	167.7	20.62	28	25¼	124	0.88	28.7	3.54	3.27
32	23	**Deb Shops** apparel stores	29.9	36.9	38	159.7	10.96	7	24	38	1.44	16.8	1.14	3.93
33	13	**CPI** photo mtrls, photofinishing	29.9	25.7	30	221.7	15.75	1	31¼	62	2.00	15.6	1.16	7.45
34	20	**Arthur J Gallagher & Co** insurance brokerage	29.8	31.3	37	91.7	11.14	56	29¾	72	1.25	23.8	3.11	3.71
35	■	**Interphase** computer equipment	29.5	22.5	33	10.4	1.33	14	8¼	144	0.51	16.2	2.06	2.29
36	■	**Paychex** payroll accounting svcs	29.2	24.9	57	54.0	4.63	14	22½	105	0.54	41.7	3.55	2.18
37	■	**Electrospace Systems** electronics	28.7	25.4	31	158.9	13.10	14	17⅞	–18	0.96	18.6	1.50	3.85
38	2	**Quick & Reilly Group** securities brokerage	28.1	23.0	34	78.8	12.73	5	23¼	16	2.01	11.6	1.86	8.74
39	■	**Westwood One Mut Broad** broadcasting	27.9	18.0	73	47.7	6.08	0	27½	68	0.81	34.0	4.80	4.06
40	■	**MacNeal-Schwendler** computer software	27.5	29.2	22	24.0	5.80	0	21¾	21	0.96	22.3	5.43	3.27
41	■	**Zenith Labs** generic pharmaceuticals	27.4	44.7	50	83.1	15.91	5	9⅛	0	0.74	12.3	2.30	1.70
42	30	**Napco Security Systems** protective alarm equipment	26.9	38.2	42	23.6	2.93	51	8½	–13	0.67	12.7	1.56	1.76
43	42	**Dress Barn** apparel stores	26.8	54.7	68	135.8	9.16	0	21¼	130	0.83	25.6	1.73	1.52
44	■	**Fur Vault** retail fur stores	26.5	15.4	40	68.8	4.62	19	9⅞	32	0.40	24.7	1.68	2.56
45	18	**Cherokee Group** women's footwear & apprl	26.3	30.7	41	94.5	5.88	9	20¾	181	1.04	20.0	1.24	3.40
46	21	**Andover Controls** building automation sys	26.1	21.0	41	22.5	2.17	0	9½	58	0.60	15.8	1.51	2.89
47	■	**KMW Systems** electronics	25.9	18.8	41	14.3	1.10	53	8½	51	0.52	16.3	1.29	2.70
48	■	**Guilford Inds** specialty fabric	25.7	22.5	28	72.9	6.90	43	13½	–10	1.25	10.8	0.98	5.80
49	■	**System Integrators** elec photocomposition sys	25.5	23.2	62	63.4	8.65	0	9½	–5	0.77	12.3	1.78	3.14
50	■	**New England Business Svc** business forms	25.4	30.1	20	176.0	16.90	18	38½	47	1.98	19.4	1.87	6.58

■ Not on last year's list

Sources: William O'Neil & Co., Forbes.

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51	24	**Dreyer's Grand Ice Cream** ice cream	25.3%	23.8%	28%	$120.5	$8.56	26%	21	15%	$1.16	18.1	1.29	$4.87
52	25	**Comarco** defense engnrg, cmptr svcs	25.0	28.6	39	62.5	2.21	88	9½	–6	0.76	12.5	0.44	2.68
53	41	**American Integrity** insurance	24.9	27.2	78	55.4	10.15	0	14¾	–2	1.54	9.6	1.78	5.58
54	29	**E-Z-Em** disposable X-ray supplies	24.9	24.7	37	47.5	6.88	1	12¼	34	0.87	14.1	2.04	3.52
55	55	**SafeCard Services** credit card loss services	24.8	42.8	32	81.1	20.11	0	24⅞	105	0.91	27.3	6.68	2.16
56	37	**Auxton Computer Ent** computer services	24.7	29.1	39	29.6	2.55	1	11⅛	123	0.49	22.7	1.89	1.74
57	■	**Endevco** nat gas processing & trans	24.7	31.6	49	150.3	3.95	58	6¾	17	0.79	8.5	0.29	1.96
58	38	**ACCO World** computer supplies	24.5	25.4	16	221.7	21.70	52	25¼	22	1.53	16.5	1.57	6.19
59	28	**Nuclear Support Services** svcs to nuclear elec utils	24.3	27.8	23	29.8	2.16	0	18	106	0.99	18.2	1.30	3.63
60	101	**Versa Technologies** rubber products	23.0	33.1	20	40.3	4.01	38	15½	35	1.22	12.7	1.18	3.94
61	12	**CCX Networks** computer services	22.8	19.5	36	18.1	1.66	52	18¼	59	0.50	36.5	3.15	2.72
62	■	**John O Butler Co** dental products	22.6	23.6	26	37.2	4.62	59	17¼	55	0.95	18.2	2.23	4.08
63	■	**American Nucleonics** defense electronics	22.4	33.6	29	7.1	1.34	0	2⅞	130	0.18	16.0	3.11	0.52
64	57	**John H Harland** check printing	22.4	24.6	20	252.7	33.24	0	44¼	45	1.93	22.9	3.01	7.86
65	50	**Knoll International** office furniture	22.4	19.8	12	223.4	11.68	77	10⅛	–33	1.15	8.8	0.48	5.51
66	■	**LESCO** lawn care products	22.1	20.3	38	58.7	2.61	73	11	60	0.66	16.7	0.77	3.14
67	72	**Eaton Vance** fund managment	22.0	27.7	40	22.1	5.84	30	18½	19	1.49	12.4	3.19	5.53
68	■	**Entertainment Publications** discount coupon books	22.0	22.2	56	42.6	4.24	1	13¾	–2	1.00	13.8	1.54	4.00
69	35	**Robert C Brown & Co** financial services	21.9	19.6	30	18.4	2.66	0	8¾	–13	0.98	8.9	1.30	4.96
70	■	**QMS** computer equipment	21.7	16.8	40	63.5	6.53	5	11⅛	19	0.70	15.9	1.65	4.14
71	85	**Microsemi** semiconductors	21.6	29.5	62	37.6	5.10	37	6⅞	20	0.62	11.1	1.70	1.85
72	■	**Interface Flooring Sys** carpet tile	21.5	21.0	15	133.1	9.17	34	13½	0	1.42	9.5	0.64	6.95
73	■	**Beaman** prefabricated buildings	21.4	27.2	37	60.1	1.75	37	6	–23	0.76	7.9	0.23	2.85
74	43	**General Physics** training services for utils	21.3	22.7	13	78.6	4.64	0	20	54	1.26	15.9	0.94	5.57
75	90	**Lee Enterprises** newspapers, broadcasting	21.3	26.6	15	218.9	33.41	13	22⅜	15	1.27	17.8	2.59	5.01

■ Not on last year's list

Sources: William O'Neil & Co., Forbes

The 200 Best Small Companies in America

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76	49	**JP Industries** auto parts	21.0%	23.4%	47%	$213.4	$9.71	53%	15	54%	$1.04	14.8	0.78	$3.84
77	■	**Healthcare Svcs Group** nursing home maint svcs	20.9	12.6	62	25.5	1.75	0	12½	14	0.46	27.2	1.85	3.70
78	64	**Postal Instant Press** printing	20.9	24.0	13	21.7	4.86	2	13¼	–5	1.18	11.2	2.53	4.89
79	62	**FlightSafety Intl** air and marine training	20.5	19.1	12	110.4	31.20	17	21⅜	–2	1.40	15.3	4.33	7.32
80	84	**BDM International Cl A** defense-related consulting	20.4	24.9	27	288.0	12.27	0	25⅝	23	1.17	21.9	1.01	4.35
81	3	**BGS Systems** software and computer svcs	20.4	10.9	34	14.8	1.99	0	8	–3	0.62	12.9	1.72	5.73
82	54	**Diagnostic Products** medical test kits	20.3	23.8	23	25.7	4.96	0	22½	80	0.90	25.0	5.16	3.54
83	89	**Arnold Industries** trucking	20.3	24.4	23	89.2	9.08	10	36	93	2.71	13.3	1.35	11.09
84	70	**Luby's Cafeterias** restaurants	20.2	22.4	16	214.0	21.41	5	27	17	1.17	23.1	2.30	5.24
85	■	**General Ceramics** ceramics for electronics	20.2	31.1	36	25.9	3.29	1	17¾	25	1.13	15.7	1.85	3.93
86	119	**STV Engineers** engineering services	20.2	33.5	31	67.9	2.30	32	13¾	20	1.52	9.0	0.32	4.41
87	■	**Parlex** electronics	20.0	17.4	13	29.3	2.24	32	18	57	0.91	19.8	1.52	5.20
88	■	**P Leiner Nutritional Prods** vitamins	20.0	15.7	15	65.2	3.11	0	17	89	0.90	18.9	0.90	5.71
89	92	**National Education** vocational training schools	20.0	20.9	16	196.6	13.37	9	17	32	0.91	18.7	1.24	4.46
90	■	**Columbus Mills** carpeting	20.0	20.8	35	152.6	10.41	18	36½	115	3.29	11.1	0.76	15.75
91	100	**Sigma-Aldrich** specialty chemicals	19.9	24.9	17	233.3	31.50	11	32	46	1.27	25.2	3.37	5.14
92	■	**Hooper Holmes** health-care & info svcs	19.9	19.1	11	59.6	1.39	24	10⅛	14	0.77	13.1	0.31	3.97
93	■	**DEP** cosmetics	19.8	19.1	16	39.0	2.38	24	12	68	0.62	19.4	1.16	3.30
94	78	**Community Psych Centers** psych hosp, dialysis ctrs	19.4	22.2	29	238.3	50.63	5	31⅛	6	1.69	18.4	3.96	7.53
95	■	**Triangle Microwave** microwave components	19.4	21.3	17	13.2	1.76	23	4⅛	–20	0.37	12.5	1.83	1.58
96	■	**Distributed Logic** computer equipment	19.3	13.9	10	14.3	1.14	0	4⅞	39	0.45	10.8	0.85	3.29
97	108	**Atlantic Research** rocket motors, comm equip	19.2	20.8	32	249.4	15.37	63	23¼	–14	2.05	11.3	0.70	9.79
98	61	**Bolar Pharmaceutical** generic drugs	19.1	18.8	22	42.9	7.99	0	22½	68	0.83	27.1	5.07	4.40
99	106	**Earl Scheib** auto paint shops	19.1	20.2	25	65.1	5.20	3	14½	12	1.12	12.9	1.02	5.64
100	45	**Medex** life-support products	18.9	14.7	11	19.7	1.80	13	8	–9	0.48	16.7	1.52	3.29

■ Not on last year's list.

Sources: William O'Neil & Co., Forbes.

—Rank— this year	last year	Company/business	Return —on equity— 5-year average	latest 12 months	5-year EPS growth rate	Latest sales (mils)	12-mo profits (mils)	Debt/ equity	—Stock price— recent	12-mo change	Latest EPS	12-mo P/E	Price/ sales	Book value/ share
101	■	**Cybertek Computer Prods** software	18.7%	21.3%	43%	$26.0	$2.09	11%	7⅞	91%	$0.58	13.6	1.07	$2.78
102	109	**Payco American** collection agency	18.6	22.3	18	67.4	2.78	0	17	21	0.56	30.4	1.27	2.47
103	117	**Logicon** defense consulting	18.4	18.9	35	205.0	9.93	0	25	–25	2.08	12.0	0.57	11.17
104	83	**Cintas** uniform mfg, rental, sale	18.3	17.4	20	123.7	11.25	64	44	18	1.73	25.4	2.32	9.94
105	■	**Stocker & Yale** precision instruments	18.3	19.4	13	15.2	2.34	14	11¼	45	0.86	13.7	2.11	4.42
106	173	**Dresher** brass beds and accessories	18.2	29.4	61	39.9	2.43	14	11⅜	146	0.55	20.7	1.15	2.05
107	■	**Canandaigua Wine Cl B** wine	18.2	22.0	39	163.7	10.54	14	29½	115	2.20	13.4	0.86	10.00
108	■	**Clayton Homes** manufactured homes	18.1	20.6	36	161.4	8.38	12	11¼	25	0.81	13.9	0.71	3.97
109	■	**Advanced Systems** educational training mtrls	17.9	18.3	13	58.9	6.39	4	13⅛	–1	1.13	11.6	1.16	6.68
110	79	**Federated Guaranty** insurance	17.9	17.0	9	48.7	10.73	0	16	45	1.28	12.5	2.77	7.49
111	■	**Fries Entertainment** motion pictures	17.8	14.4	9	28.1	2.99	35	6⅜	21	0.57	11.2	1.18	3.98
112	107	**Stryker** surgical and medical prods	17.7	19.1	20	112.5	9.29	9	34	70	1.23	27.6	2.26	6.48
113	■	**AGS Computers** computer software and svcs	17.6	15.4	28	315.0	7.54	31	18⅜	20	1.43	13.0	0.30	9.67
114	103	**Stanford Telecomm** telecommunications equip	17.5	15.4	34	48.1	2.58	2	11½	1	0.57	20.2	1.02	3.92
115	■	**Shoe City** shoe stores	17.4	20.0	31	35.3	1.24	7	8¼	–31	0.50	16.5	0.80	1.82
116	■	**Dunkin' Donuts** donut shops	17.3	19.1	15	104.9	11.87	43	27	20	1.59	17.0	1.86	8.60
117	192	**Pasquale Food Cl B** food processing	17.3	30.6	96	74.1	3.84	10	15	94	0.50	30.0	1.78	1.42
118	63	**American Software Cl A** software	17.1	15.2	55	39.4	6.33	0	12½	22	0.94	13.3	2.18	6.06
119	76	**Pansophic Systems** software	17.0	16.3	27	85.2	14.66	1	28	42	1.73	16.2	2.80	10.53
120	148	**Watkins-Johnson** electronics	16.9	19.2	28	245.6	20.31	25	34	53	2.23	15.2	1.22	12.05
121	■	**Biomet** health-care equip	16.9	21.0	78	47.0	5.70	1	15	79	0.55	27.3	3.77	2.30
122	77	**Ryan's Family Steak Houses** restaurants	16.9	21.0	49	78.1	8.05	2	21¼	198	0.50	42.5	4.68	2.23
123	■	**KDI** mfg & electronics	16.7	17.0	15	272.1	9.54	75	15⅜	89	1.02	15.3	0.52	6.19
124	■	**Wherehouse Entertainment** record, tape & video strs	16.7	15.0	36	169.6	7.32	16	17¾	73	0.82	21.6	0.93	5.48
125	112	**Teleflex** mechanical remote controls	16.6	17.8	14	191.0	15.02	28	20⅛	19	1.40	14.4	1.11	7.98

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Sources: William O'Neil & Co., Forbes

The 200 Best Small Companies in America

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest sales (mils)	12-mo profits (mils)	Debt/ equity	Stock price recent	Stock price 12-mo change	Latest EPS	12-mo P/E	Price/ sales	Book value/ share
126	146	**Shelby Williams Inds** rest & hotel furniture	16.6%	19.5%	24%	$124.5	$9.02	3%	15	17%	$0.88	17.0	1.25	$4.45
127	■	**Cadmus Communications** printing	16.5	23.1	13	92.7	4.48	56	29¼	100	1.60	18.3	0.87	7.04
128	145	**Security Amer Fincl Ent** insurance	16.5	29.8	32	39.9	3.61	0	11⅛	64	1.16	9.7	0.84	4.04
129	127	**Wallace Computer Svcs** business forms	16.4	17.9	12	305.0	24.35	11	40⅛	23	2.40	16.7	1.34	13.38
130	120	**Dionex** precision instruments	16.4	19.8	30	44.9	7.44	1	47	54	1.60	29.4	4.78	8.22
131	138	**Systematics** bank computer services	16.4	17.3	31	125.6	10.61	7	14¼	–38	0.96	14.8	1.23	5.66
132	126	**Bob Evans Farms** sausages, restaurants	16.3	16.0	10	273.8	20.50	0	19½	27	0.92	21.2	1.60	5.71
133	■	**Seven Oaks Intl** coupon processing	16.3	15.3	31	30.1	6.58	0	16⅛	32	0.96	16.8	3.62	6.37
134	155	**Electromagnetic Sciences** microwave components	16.3	19.7	39	38.9	4.82	10	13½	29	0.67	20.1	2.45	3.46
135	73	**First Financial Management** bank computer services	16.2	13.1	36	59.8	4.36	21	20¼	14	0.88	23.6	1.78	6.49
136	■	**Liqui-Box** packaging	16.1	32.0	30	67.6	5.25	9	51	85	2.26	22.6	1.66	7.43
137	■	**Tootsie Roll Industries** candy	16.0	26.0	35	109.2	11.61	0	41¾	40	2.69	15.5	1.64	10.41
138	■	**Parisian** apparel stores	16.0	17.0	22	204.7	8.86	84	23½	77	1.31	17.9	0.92	6.52
139	102	**Legg Mason** securities brokerage	16.0	16.9	14	121.4	9.34	4	17⅞	40	1.42	12.6	0.97	8.41
140	■	**Digital Comm Assoc** telecomm equipment	16.0	17.3	113	137.9	20.60	0	20	–1	1.80	11.1	1.71	10.06
141	■	**Telxon** computer equipment	16.0	16.9	30	87.0	9.24	1	24½	136	0.70	35.0	3.57	4.31
142	129	**New York Marine & Genl Ins** insurance	15.7	18.7	29	57.9	8.98	0	43	48	3.18	13.5	2.13	16.75
143	■	**S&K Famous Brands** men's apparel stores	15.7	14.3	37	39.8	1.33	79	7¼	29	0.64	12.1	0.40	4.51
144	■	**Orbit Instrument** electronics	15.7	21.8	17	31.1	6.63	4	10¾	79	0.75	14.3	3.05	3.44
145	161	**Sizzler Restaurants Intl** restaurants	15.6	17.2	32	194.3	12.50	56	14⅛	43	0.79	17.9	1.24	4.25
146	60	**Altos Computer Systems** mini and micro computers	15.5	20.2	27	134.2	20.28	1	10⅞	9	1.41	7.7	1.08	7.52
147	166	**Sanmark-Stardust** apparel	15.4	16.1	36	59.4	2.77	35	6	70	0.40	15.9	0.56	3.29
148	■	**Liebert** elec power conditioning sys	15.4	17.6	23	287.2	19.38	14	24½	23	1.30	18.8	1.26	7.47
149	160	**Olsten** temporary office personnel	15.3	19.0	25	283.2	8.05	0	22¾	48	1.00	22.8	0.65	5.21
150	156	**Atlantic American** insurance	15.2	23.6	24	143.7	13.06	57	11¼	27	1.37	8.2	0.75	5.78

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151	143	**UTL** electronics	15.2%	15.0%	33%	$31.5	$5.12	2%	17¾	20%	$1.06	16.7	2.71	$7.13
152	150	**Block Drug Cl A** dental products	15.2	14.7	9	295.1	29.44	16	25	32	1.90	13.2	1.32	12.80
153	118	**Mentor** surgical implant devices	15.1	12.7	59	29.9	3.56	2	14¼	2	0.62	23.0	2.71	4.94
154	116	**DBA Systems** computer imaging tech	15.0	15.9	23	74.4	4.16	32	14¾	–5	1.11	13.3	0.75	6.90
155	■	**UniFirst** uniform mfg, rental, sale	14.9	16.8	12	111.3	7.76	15	22¾	56	1.54	14.8	1.03	9.19
156	■	**Vishay Intertechnology** precision instruments	14.8	19.0	33	58.9	9.34	10	17⅞	–2	1.44	12.4	1.97	7.59
157	■	**Rhodes** home furnishing stores	14.7	18.1	73	214.5	12.85	69	19⅜	44	1.61	12.2	0.82	7.96
158	152	**Spectrum Control** electronic pollution cntrls	14.7	17.7	15	24.8	3.18	30	11⅛	85	0.60	18.5	2.40	3.36
159	157	**Avemco** insurance	14.6	16.9	14	71.7	8.74	21	25¼	28	1.89	13.6	1.63	11.41
160	■	**AMREP** land devel, magazine dist	14.5	17.6	71	100.8	9.57	79	19⅜	10	2.18	9.0	0.86	12.35
161	■	**Pancho's Mexican Buffet** restaurants	14.3	14.3	25	41.0	2.40	2	10	45	0.58	17.2	1.00	4.11
162	■	**Key Co Cl B** home building	14.3	14.8	25	42.0	1.51	0	3⅞	11	0.66	5.9	0.21	4.51
163	139	**Scan-Tron** optical reading equip	14.2	17.8	24	25.7	2.83	8	16¼	37	0.82	20.4	2.19	4.74
164	■	**Nantucket Industries** apparel	14.0	14.6	29	53.1	2.00	95	8¼	10	0.73	11.3	0.42	5.06
165	■	**Krug International** aerospace	13.9	24.1	40	120.5	2.82	74	9⅛	20	0.70	13.0	0.30	2.92
166	■	**Banker's Note** women's apparel	13.9	25.7	27	29.7	1.71	6	11¼	213	0.52	22.6	1.26	2.09
167	■	**Crump Companies** insurance brokerage	13.8	20.3	33	111.4	9.26	22	32½	130	1.04	31.3	2.66	5.01
168	■	**Sealed Air** packaging	13.8	16.0	18	196.3	14.89	16	37¾	22	2.07	18.2	1.39	12.88
169	■	**Radiation Systems** communications equip	13.8	13.8	14	47.5	4.20	11	8⅞	–19	0.87	10.2	1.03	5.54
170	■	**Precision Castparts** aerospace castings	13.8	16.9	14	202.9	10.83	56	23¾	6	1.45	16.4	0.88	8.55
171	■	**ISC Systems** computer equipment	13.7	20.5	16	166.1	13.85	31	11	–8	0.90	12.2	1.06	4.24
172	■	**Mosinee Paper** paper products	13.7	14.0	15	191.2	9.12	15	12⅛	26	1.17	10.4	0.49	8.42
173	■	**Syscon** computer sys and svcs	13.7	13.6	10	125.8	4.76	5	13¾	18	1.02	13.5	0.51	7.48
174	■	**Recoton** access for: TV, video, stereo	13.6	15.2	43	28.6	1.68	14	9	6	0.62	14.5	0.82	4.26
175	■	**Paco Pharmaceutical Svcs** pkgng of pharmaceut prods	13.6	13.6	11	44.8	4.17	0	15⅜	19	1.03	14.9	1.35	7.77

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The 200 Best Small Companies in America

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176	■	**SJW** water utility	13.5%	14.3%	11%	$62.8	$8.99	61%	35⅝	0%	$3.13	11.4	1.59	$22.53
177	■	**Thomas Industries** building materials	13.3	15.1	13	310.3	16.60	20	18½	12	1.85	10.0	0.54	12.20
178	168	**International Technology** pollution cntrl equip & svcs	13.2	28.7	28	213.2	17.40	64	17	48	0.64	26.6	2.11	2.29
179	■	**Calif Water Service** water utility	13.1	14.3	9	107.1	12.73	95	56	20	4.48	12.5	1.44	32.25
180	■	**Pulaski Furniture** furniture	13.1	14.4	34	92.5	4.04	73	16¼	53	1.40	11.6	0.51	9.70
181	188	**Houghton Mifflin** publishing	13.0	13.8	13	291.9	19.18	4	26¼	49	1.39	18.9	1.27	9.86
182	■	**Oil Dri Corp America** specialty chemicals	13.0	19.8	44	52.8	4.60	32	23½	34	1.11	21.2	1.78	5.82
183	■	**Herley Microwave Sys** microwave components	12.9	27.8	68	16.2	2.12	22	11¼	62	0.72	16.3	2.09	2.64
184	194	**VeloBind** bookbinding equip	12.9	15.8	13	33.4	3.35	5	11	22	0.64	17.2	1.69	4.14
185	172	**Matrix** health-care equip	12.8	16.1	34	104.9	13.30	42	16⅜	2	1.02	16.1	2.05	6.31
186	136	**Computer Assoc Intl** software	12.8	11.1	45	209.8	19.49	3	21½	85	0.87	24.7	2.54	7.10
187	175	**Spectradyne** pay-per-view TV in hotels	12.8	15.2	17	68.0	7.39	13	16	45	0.78	20.5	2.22	5.15
188	186	**Service Corporation Intl** funeral parlors	12.8	16.8	19	271.6	42.83	23	31⅞	33	1.69	18.9	3.01	9.95
189	195	**KLA Instruments** equip for semiconductor ind	12.8	13.0	62	82.5	9.86	0	13¾	–21	0.56	24.6	2.84	4.43
190	■	**ERC International** technical engineering	12.6	15.8	17	84.9	2.64	3	10⅞	71	0.65	16.7	0.53	4.04
191	171	**Forest Laboratories** controlled-release drugs	12.5	10.6	20	46.4	7.98	1	17⅝	45	0.55	32.0	5.43	5.28
192	■	**Tech-Sym** multicompany	12.4	12.1	43	101.6	7.52	18	13¾	–11	1.13	12.2	0.90	9.38
193	■	**Jones Intercable Cl A** cable TV	12.3	24.0	19	19.3	4.74	54	11⅛	107	0.48	23.2	5.42	2.10
194	■	**Sikes Cl A** ceramic tiles	12.3	16.2	22	90.4	5.09	51	15½	70	1.15	13.5	1.77	7.04
195	■	**Virco Manufacturing** furniture	12.2	12.1	16	167.3	3.71	78	17¾	35	1.63	10.9	0.24	13.40
196	■	**Crest-Foam** polyurethane foam	12.0	13.5	29	46.7	1.59	9	12⅛	24	1.23	9.9	0.34	9.10
197	■	**Bolt Beranek & Newman** consulting & research svcs	11.8	18.1	60	178.0	11.33	7	40¾	41	1.30	31.3	1.88	7.59
198	■	**Products Research & Chem** paints and coatings	11.7	15.6	16	90.9	7.11	5	16⅝	29	0.76	21.9	1.73	4.80
199	■	**Morgan Keegan** securities brokerage	11.4	19.0	9	69.8	5.47	0	11⅛	46	1.17	9.5	0.75	6.13
200	■	**Anaren Microwave** electronics	10.9	14.8	30	32.7	3.23	26	8¼	–34	0.77	10.7	1.06	5.20

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Sources: William O'Neil & Co.; Forbes

Company Directory

This alphabetical directory of the 200 Best Small Companies shows how to reach them, where to trade them and how they rank by sales, profits, market value and five-year return on equity.

Where they rank: sales	profits	market value	5-year average ROE	Exch	Ticker	Company	City, state	Telephone	Market value (mil)
19	15	26	58	n	ACCO	**ACCO World**	Northbrook, IL	(312) 480-9700	$348.7
123	110	135	109	n	ASY	**Advanced Systems**	Arlington Hts, IL	(312) 981-1500	68.6
1	95	119	113	n	AGS	**AGS Computers**	Mountainside, NJ	(201) 654-4321	94.4
159	112	76	11	a	AFN	**Alfin Fragrances**	New York, NY	(212) 333-7700	155.2
60	21	82	146	o	ALTO	**Altos Computer Systems**	San Jose, CA	(408) 946-6700	145.0
127	64	114	53	o	AIIC	**American Integrity**	Philadelphia, PA	(215) 561-1400	98.5
200	191	178	17	o	ALST	**American List**	Great Neck, NY	(516) 466-0602	31.6
198	194	190	63	o	AMNU	**American Nucleonics**	Westlake Village, CA	(805) 496-2405	22.1
152	111	124	118	o	AMSWA	**American Software Cl A**	Atlanta, GA	(404) 261-4381	85.9
80	69	123	160	n	AXR	**AMREP**	New York, NY	(212) 541-7300	86.2
161	153	171	199	o	ANEN	**Anaren Microwave**	East Syracuse, NY	(315) 432-8909	34.7
181	175	172	46	o	ANDO	**Andover Controls**	Andover, MA	(617) 470-0555	33.9
93	146	166	15	a	ARY	**Arley Merchandise**	Taunton, MA	(617) 823-1400	39.7
87	80	94	83	o	AIND	**Arnold Industries**	Lebanon, PA	(717) 274-2521	120.7
53	42	109	150	o	AAME	**Atlantic American**	Atlanta, GA	(404) 266-5500	107.2
14	33	66	97	o	ATRC	**Atlantic Research**	Alexandria, VA	(703) 642-4000	175.7
169	166	148	56	o	AUXT	**Auxton Computer Enterprises**	Maitland, FL	(305) 660-8400	56.0
103	85	98	159	n	AVE	**Avemco**	Frederick, MD	(301) 694-5700	116.7
168	186	168	166	o	BKNT	**Banker's Note**	Marietta, GA	(404) 432-0636	37.4
7	47	33	80	a	BDM	**BDM International Cl A**	McLean, VA	(703) 821-5000	290.1
118	184	197	73	o	BECO	**Beaman**	Greensboro, NC	(919) 271-4400	13.6
192	181	184	81	o	BGSS	**BGS Systems**	Waltham, MA	(617) 891-0000	25.4
136	118	65	121	o	BMET	**Biomet**	Warsaw, IN	(219) 267-6639	177.3
4	10	21	152	o	BLOCA	**Block Drug Cl A**	Jersey City, NJ	(201) 434-3000	390.5
10	19	18	132	o	BOBE	**Bob Evans Farms**	Columbus, OH	(614) 491-2225	436.9
143	91	50	98	a	BLR	**Bolar Pharmaceutical**	Copiague, NY	(516) 842-8383	217.4
39	53	27	196	n	BBN	**Bolt Beranek & Newman**	Cambridge, MA	(617) 491-1850	335.4
188	162	186	69	o	RCBI	**Robert C Brown & Co**	San Francisco, CA	(415) 981-4050	24.0

a: American Stock Exchange n: New York Stock Exchange o: over-the-counter

Sources: William O'Neil & Co.; Forbes.

Where they rank									
sales	profits	market value	5-year average ROE	Exch	Ticker	Company	City, state	Telephone	Market value (mil)
156	132	128	62	o	BUTC	**John O Butler Co**	Chicago, IL	(312) 777-4000	$83.0
82	135	130	127	o	CDMS	**Cadmus Communications**	Richmond, VA	(804) 264-2885	80.5
76	44	78	178	o	CWTR	**Calif Water Service**	San Jose, CA	(408) 298-1414	154.2
46	62	84	107	a	CDGB	**Canandaigua Wine Cl B**	Canandaigua, NY	(716) 394-3630	141.4
189	188	144	61	o	CCXN	**CCX Networks**	Conway, AR	(501) 329-6836	57.0
81	114	97	45	o	CHKE	**Cherokee Group**	N Hollywood, CA	(213) 875-1002	116.9
157	104	91	8	o	CHFS	**Chief Automotive Sys**	Grand Island, NE	(308) 384-9747	123.7
66	54	34	104	o	CTAS	**Cintas**	Cincinnati, OH	(513) 489-4000	286.9
47	88	102	108	n	CMH	**Clayton Homes**	Knoxville, TN	(615) 970-7200	115.3
57	57	58	22	o	CTME	**ClothesTime**	Anaheim, CA	(714) 779-5881	190.8
50	63	100	90	o	COLM	**Columbus Mills**	Columbus, GA	(404) 324-0111	115.9
117	174	183	52	o	CMRO	**Comarco**	Anaheim, CA	(714) 921-0672	27.4
16	2	2	94	n	CMY	**Community Psychiatric Ctrs**	Santa Ana, CA	(415) 397-6151	942.7
27	23	12	185	n	CA	**Computer Assoc Intl**	Garden City, NY	(516) 227-3300	532.8
20	32	37	33	o	CPIC	**CPI**	St Louis, MO	(314) 231-1575	256.5
137	189	196	195	a	CFO	**Crest-Foam**	Moonachie, NJ	(201) 641-9030	15.7
72	75	32	167	o	CRMP	**Crump Companies**	Memphis, TN	(901) 761-1550	296.8
173	179	182	101	o	CKCP	**Cybertek Computer Prods**	Culver City, CA	(213) 649-2450	27.8
100	140	147	154	o	DBAS	**DBA Systems**	Melbourne, FL	(305) 725-3711	56.1
48	58	62	32	o	DEBS	**Deb Shops**	Philadelphia, PA	(215) 676-6000	182.4
153	169	158	93	o	DEPC	**DEP**	RanchoDominguez, CA	(213) 604-0777	45.4
175	125	87	82	o	DPCZ	**Diagnostic Products**	Los Angeles, CA	(213) 776-0180	132.5
55	18	45	140	o	DCAI	**Digital Commun Assoc**	Alpharetta, GA	(404) 442-4000	236.0
140	99	52	130	o	DNEX	**Dionex**	Sunnyvale, CA	(408) 737-0700	214.4
193	198	198	96	o	DLOG	**Distributed Logic**	Anaheim, CA	(714) 937-5700	12.1
149	167	157	106	o	DRES	**Dresher**	Bedford Park, IL	(312) 594-8900	45.8
58	78	47	43	o	DBRN	**Dress Barn**	Stamford, CT	(203) 327-4242	234.3
68	87	77	51	o	DRYR	**Dreyer's Grand Ice Cream**	Oakland, CA	(415) 652-8187	155.0
32	1	1	25	n	DRY	**Dreyfus**	New York, NY	(212) 715-6000	1,052.6
77	49	55	116	o	DUNK	**Dunkin' Donuts**	Randolph, MA	(617) 961-4000	195.0
184	141	85	30	o	DUQN	**Duquesne Systems**	Pittsburgh, PA	(412) 323-2600	139.2
182	116	133	67	o	EAVN	**Eaton Vance**	Boston, MA	(617) 482-8260	70.4
199	200	200	3	o	ESPC	**Education Sys & Publications**	Belleville, NJ	(201) 759-1520	1.4
154	127	116	134	o	ELMG	**Electromagnetic Sciences**	Norcross, GA	(404) 448-5770	95.4
49	41	42	37	n	ELE	**Electrospace Systems**	Richardson, TX	(214) 470-2000	239.0
51	144	162	57	a	EI	**Endevco**	Dallas, TX	(214) 691-5536	43.0
144	137	138	68	o	EPUB	**Entertainment Publications**	Birmingham, MI	(313) 642-8300	65.6
111	96	54	9	n	ESC	**Environmental Sys**	Little Rock, AR	(501) 376-8142	207.4
92	163	160	189	n	ERC	**ERC International**	Vienna, VA	(703) 827-0720	44.9
134	106	115	54	o	EZEM	**E-Z-Em**	Westbury, NY	(516) 333-8231	97.0
131	60	86	110	o	FDGC	**Federated Guaranty**	Montgomery, AL	(205) 288-3900	134.8
120	136	110	135	o	FFMC	**First Financial Management**	Atlanta, GA	(404) 321-0120	106.5
74	9	14	79	n	FSI	**FlightSafety Intl**	Flushing, NY	(718) 565-4100	477.7

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. *Sources: William O'Neil & Co., Forbes.*

Company Directory

Where they rank									
sales	profits	market value	5-year average ROE	Exch	Ticker	Company	City, state	Telephone	Market value (mil)
138	92	39	190	a	FRX	**Forest Laboratories**	New York, NY	(212) 421-7850	$251.8
70	12	10	4	o	FRRI	**Franklin Resources**	San Mateo, CA	(415) 570-3000	543.6
172	156	176	111	a	FE	**Fries Entertainment**	Los Angeles, CA	(213) 466-2266	33.2
106	133	101	44	a	FRV	**Fur Vault**	New York, NY	(212) 563-7070	115.4
84	55	35	34	o	AJGC	**Arthur J Gallagher & Co**	Rolling Meadows, IL	(312) 640-8500	285.0
174	152	153	85	o	GCER	**General Ceramics**	Haskell, NJ	(201) 839-1600	47.8
98	130	131	74	o	GPHY	**General Physics**	Columbia, MD	(301) 964-6000	73.6
185	192	189	1	a	GRT	**Graphic Technology**	Olathe, KS	(913) 829-8000	22.3
102	105	132	48	o	GILD	**Guilford Inds**	Guilford, ME	(207) 876-3331	71.3
13	7	7	64	n	JH	**John H Harland**	Decatur, GA	(404) 981-9460	760.5
177	185	155	77	o	HCSG	**Healthcare Svcs Group**	Huntington Valley, PA	(215) 657-7020	47.1
190	178	173	182	o	HRLY	**Herley Microwave Sys**	Lancaster, PA	(717) 397-2777	33.9
196	172	179	12	o	DBHI	**Dow B Hickam**	Sugar Land, TX	(713) 240-1000	31.2
121	193	193	92	o	HOOP	**Hooper Holmes**	Basking Ridge, NJ	(201) 766-5000	18.6
5	25	23	180	n	HTN	**Houghton Mifflin**	Boston, MA	(617) 725-5000	369.3
43	17	8	31	o	JBHT	**JB Hunt Transport**	Lowell, AR	(501) 659-8800	593.6
61	77	127	72	o	IFSIA	**Interface Flooring Sys**	La Grange, GA	(404) 882-1891	85.1
26	26	15	177	n	ITX	**International Technology**	Torrance, CA	(213) 378-9933	449.1
197	195	191	35	o	INPH	**Interphase**	Dallas, TX	(214) 350-9000	21.4
104	177	163	16	o	ITRN	**Intertrans**	Irving, TX	(214) 574-6750	41.3
45	38	67	171	o	ISCS	**ISC Systems**	Spokane, WA	(509) 536-5050	175.5
75	68	70	76	n	JPI	**JP Industries**	Ann Arbor, MI	(313) 663-6749	166.1
187	129	111	192	o	JOINA	**Jones Intercable Cl A**	Englewood, CO	(303) 792-3111	104.7
146	101	90	28	o	JUNO	**Juno Lighting**	Des Plaines, IL	(312) 827-9880	124.5
11	70	83	123	n	KDI	**KDI**	Cincinnati, OH	(513) 272-1421	141.6
145	190	199	162	a	KCB	**Key Co Cl B**	Greensboro, NC	(919) 273-2521	8.7
56	27	16	7	n	KWP	**King World Productions**	Summit, NJ	(201) 522-0100	442.0
95	67	46	188	o	KLAC	**KLA Instruments**	Santa Clara, CA	(408) 988-6100	234.7
194	199	194	47	o	KMWS	**KMW Systems**	Austin, TX	(512) 288-1453	18.4
18	50	108	65	a	KNL	**Knoll International**	New York, NY	(212) 826-2400	108.2
69	159	170	165	o	KRUG	**Krug International**	Dayton, OH	(513) 224-9066	36.6
21	6	9	75	n	LEE	**Lee Enterprises**	Davenport, IA	(319) 383-2202	566.8
67	71	95	139	n	LM	**Legg Mason**	Baltimore, MD	(301) 539-3400	117.6
112	155	143	88	o	PLIN	**P Leiner Nutritional Prods**	Torrance, CA	(213) 328-9610	59.0
125	164	159	66	o	LSCO	**LESCO**	Rocky River, OH	(216) 333-9250	45.1
8	24	25	148	o	LIEB	**Liebert**	Columbus, OH	(614) 888-0246	361.5
109	120	105	136	o	LIQB	**Liqui-Box**	Worthington, OH	(614) 888-9280	112.5
28	65	96	103	n	LGN	**Logicon**	Torrance, CA	(213) 373-0220	117.5
24	16	13	84	n	LUB	**Luby's Cafeterias**	San Antonio, TX	(512) 654-9000	492.0
179	117	89	40	a	MNS	**MacNeal-Schwendler**	Los Angeles, CA	(213) 258-9111	130.2
78	40	51	184	a	MAX	**Matrix Corp**	Orangeburg, NY	(914) 365-0190	214.7
186	182	180	100	o	MDEX	**Medex**	Hilliard, OH	(614) 876-2413	29.9
166	150	129	153	o	MNTR	**Mentor**	Goleta, CA	(805) 967-3451	80.9

a: American Stock Exchange n: New York Stock Exchange o: over-the-counter

Sources: William O'Neil & Co.; Forbes

Where they rank									
sales	profits	market value	5-year average ROE	Exch	Ticker	Company	City, state	Telephone	Market value ($mil)
155	123	139	71	o	MSCC	**Microsemi**	Santa Ana, CA	(714) 979-8220	$64.1
105	119	150	198	n	MOR	**Morgan Keegan**	Memphis, TN	(901) 524-4100	92.2
35	79	121	172	o	MOSI	**Mosinee Paper**	Mosinee, WI	(715) 693-4470	93.6
90	14	19	23	n	MYL	**Mylan Laboratories**	Pittsburgh, PA	(412) 232-0100	413.5
129	180	188	164	a	NAN	**Nantucket Industries**	New York, NY	(212) 869-5656	22.4
180	157	169	42	o	NSSC	**Napco Security Systems**	Copiague, NY	(516) 842-9400	36.9
31	39	40	89	n	NEC	**National Education**	Irvine, CA	(714) 474-9400	244.1
88	94	29	24	o	NGNA	**Neutrogena**	Los Angeles, CA	(213) 642-1150	327.8
41	28	28	50	o	NEBS	**New England Business Service**	Groton, MA	(617) 448-6111	328.0
126	83	92	142	o	NYMG	**New York Marine & Genl Ins**	New York, NY	(212) 953-0580	133.5
167	176	167	59	o	NSSI	**Nuclear Support Services**	Carnegie, PA	(717) 638-8125	38.6
130	134	120	181	o	OILC	**Oil Dri Corp America**	Chicago, IL	(312) 321-1515	93.9
9	89	61	149	a	OLS	**Olsten**	Westbury, NY	(516) 832-8200	1491.0
164	107	117	144	o	ORBT	**Orbit Instrument**	Hauppauge, NY	(516) 435-8300	98.9
40	29	22	29	o	GOSHA	**Oshkosh B'Gosh Cl A**	Oshkosh, WI	(414) 231-8800	373.6
141	139	141	175	o	PPSI	**Paco Pharmaceutical Svcs**	Lakewood, NJ	(201) 367-8000	90.6
147	168	164	161	o	PAMX	**Pancho's Mexican Buffet**	Fort Worth, TX	(817) 831-0081	80.9
91	36	43	119	n	PNS	**Pansophic Systems**	Oak Brook, IL	(312) 990-9000	206.6
162	145	118	13	o	PARP	**Par Pharmaceutical**	Spring Valley, NY	(914) 425-7100	99.9
29	84	59	138	o	PASN	**Parisian**	Birmingham, AL	(205) 251-1300	187.8
170	173	161	87	o	PRLX	**Parlex**	Methuen, MA	(617) 685-4341	84.6
101	147	88	117	o	PASQB	**Pasquale Food Cl B**	Birmingham, AL	(205) 942-3471	152.2
128	131	56	36	o	PAYX	**Paychex**	Rochester, NY	(716) 385-6666	1911.7
110	160	125	102	o	PAYC	**Payco American**	Brookfield, WI	(414) 784-9510	85.7
6	4	6	14	o	PICN	**Pic'N'Save**	Carson, CA	(213) 537-9220	760.0
139	73	75	18	o	PIOG	**Pioneer Group**	Boston, MA	(617) 742-7825	155.0
142	52	93	10	o	PLEN	**Plenum Publishing**	New York, NY	(212) 620-8000	128.1
183	126	149	78	a	PIP	**Postal Instant Press**	Los Angeles, CA	(213) 653-8750	56.9
30	59	64	170	o	PCST	**Precision Castparts**	Portland, OR	(503) 653-4210	1777.0
85	103	72	197	n	PRC	**Products Research & Chemical**	Glendale, CA	(818) 240-2060	157.1
83	142	156	179	o	PLFC	**Pulaski Furniture**	Pulaski, VA	(703) 980-7130	80.9
114	109	112	70	o	QMSI	**QMS**	Mobile, AL	(205) 633-4300	1246.0
97	45	81	38	n	BQR	**Quick & Reilly Group**	New York, NY	(212) 943-8686	1486.9
135	138	152	169	o	RADS	**Radiation Systems**	Sterling, VA	(703) 450-5668	88.8
171	187	187	174	o	RCOT	**Recoton**	Long Island City, NY	(718) 392-6442	23.4
54	66	49	27	o	RENT	**Rent-A-Center**	Wichita, KS	(316) 686-7411	223.6
23	43	68	157	o	RHDS	**Rhodes**	Atlanta, GA	(404) 266-8600	171.2
22	11	17	21	n	RUS	**Russ Berrie & Co**	Oakland, NJ	(201) 891-7100	441.3
99	90	24	122	n	RYAN	**Ryan's Family Steak Houses**	Greenville, SC	(803) 244-7261	301.3
151	196	195	143	o	SKFB	**S&K Famous Brands**	Richmond, VA	(804) 346-2300	19.0
96	22	11	55	o	SFCD	**SafeCard Services**	Fort Lauderdale, FL	(305) 491-7111	540.5
122	161	175	147	a	SMK	**Sanmark-Stardust**	New York, NY	(212) 684-3400	33.0
176	158	146	163	o	SCNN	**Scan-Tron**	Tustin, CA	(714) 259-8887	98.2

a: American Stock Exchange. n: New York Stock Exchange. o: over the counter.

Company Directory

Where they rank									
sales	profits	market value	5-year average ROE	Exch	Ticker	Company	City, state	Telephone	Market value (mil)
113	121	136	99	a	ESH	**Earl Scheib**	Beverly Hills, CA	(213) 652-4880	$66.2
33	35	36	168	n	SEE	**Sealed Air**	Saddle Brook, NJ	(201) 791-7600	272.6
38	48	44	5	o	SEAM	**Seaman Furniture**	Uniondale, NY	(516) 222-7044	238.0
150	149	174	128	o	SAFE	**Security Amer Fincl Enterprises**	Minneapolis, MN	(612) 544-2121	33.7
12	3	3	187	n	SRV	**Service Corporation Intl**	Houston, TX	(713) 522-5141	818.3
165	108	107	133	o	QPON	**Seven Oaks Intl**	Memphis, TN	(901) 683-7055	108.9
65	81	74	126	o	SWIX	**Shelby Williams Inds**	Chicago, IL	(312) 527-3593	155.9
158	197	181	115	o	SHOE	**Shoe City**	Montgomery, AL	(205) 281-0170	28.1
17	8	5	91	o	SIAL	**Sigma-Aldrich**	St Louis, MO	(314) 771-5765	786.2
86	124	134	193	a	SKA	**Sikes Cl A**	Lakeland, FL	(813) 687-7171	69.2
34	46	41	145	o	SIZZ	**Sizzler Restaurants Intl**	Los Angeles, CA	(213) 827-2300	241.3
116	82	113	176	a	SJW	**SJW**	San Jose, CA	(408) 279-7810	99.6
62	97	106	20	o	SWHI	**Sound Warehouse**	Dallas, TX	(214) 343-4700	109.3
107	100	80	186	o	SPDY	**Spectradyne**	Richardson, TX	(214) 234-2721	151.1
178	154	142	158	o	SPEC	**Spectrum Control**	Erie, PA	(814) 455-0966	59.5
132	165	151	114	o	STII	**Stanford Telecommun**	Santa Clara, CA	(408) 748-1010	49.3
191	170	177	105	o	STKR	**Stocker & Yale**	Beverly, MA	(617) 927-3940	32.1
71	74	38	112	o	STRY	**Stryker**	Kalamazoo, MI	(616) 381-3811	254.5
108	171	192	86	o	STVI	**STV Engineers**	Pottstown, PA	(215) 326-4600	21.4
63	128	140	173	o	SCON	**Syscon**	Washington, DC	(202) 342-4000	64.1
115	86	104	49	o	SINT	**System Integrators**	Sacramento, CA	(916) 929-9481	112.8
64	61	79	131	o	SYST	**Systematics**	Little Rock, AR	(501) 223-5100	154.2
79	98	122	191	a	TSY	**Tech-Sym**	Houston, TX	(713) 785-7790	91.0
37	34	53	125	a	TFX	**Teleflex**	Limerick, PA	(215) 948-5100	212.6
36	5	4	26	n	TLR	**Telerate**	New York, NY	(212) 938-5200	800.2
89	76	30	141	o	TLXN	**Telxon**	Akron, OH	(216) 867-3700	310.7
2	30	69	179	n	TII	**Thomas Industries**	Louisville, KY	(502) 582-3771	166.7
59	115	137	6	n	THO	**Thor Industries**	Jackson Center, OH	(513) 596-6849	65.9
75	51	63	137	n	TR	**Tootsie Roll Industries**	Chicago, IL	(312) 838-3400	179.1
195	183	185	95	o	TRMW	**Triangle Microwave**	East Hanover, NJ	(201) 884-1423	24.2
52	37	73	19	a	ULT	**Ultimate**	East Hanover, NJ	(201) 887-9222	156.6
73	94	103	155	n	UNF	**UniFirst**	Woburn, MA	(617) 933-5800	114.7
163	122	126	151	o	UTLC	**UTL**	Dallas, TX	(214) 350-7601	85.3
119	56	60	2	o	VALU	**Value Line**	New York, NY	(212) 687-3965	186.2
160	151	145	183	o	VBND	**VeloBind**	Sunnyvale, CA	(408) 732-4200	56.3
148	143	154	60	o	VRSA	**Versa Technologies**	Racine, WI	(414) 632-6622	47.6
44	148	165	194	a	VIR	**Virco Manufacturing**	Gardena, CA	(213) 532-3570	40.7
124	72	99	156	n	VSH	**Vishay Intertechnology**	Malvern, PA	(215) 644-1300	116.0
3	13	20	129	n	WCS	**Wallace Computer Svcs**	Hillside, IL	(312) 626-2000	407.8
15	20	31	120	n	WJ	**Watkins-Johnson**	Palo Alto, CA	(415) 493-4141	298.7
133	113	48	39	o	WONE	**Westwood One Mutual Broad**	Culver City, CA	(213) 204-5000	228.8
42	102	71	124	a	WEI	**Wherehouse Entertainment**	Torrance, CA	(213) 538-2314	158.0
94	31	57	41	n	ZEN	**Zenith Labs**	Ramsey, NJ	(201) 327-3100	191.3

a- American Stock Exchange n- New York Stock Exchange o- over-the-counter

Sources: William O'Neil & Co., Forbes.

Federal tax reform is good news for free-spending state politicians. Which also may make it good news for realty agents in neighboring states.

Who gets the windfall?

By Laura Saunders

FIVE YEARS AGO "you couldn't give houses away here," recalls Sy Jacowitz, a leading real estate agent in Easton, Pa. Now? "Business is booming. Prices for the best homes have jumped 50% to 60% in the last year and a half."

Has new industry moved into this town at the east end of Pennsylvania's long-depressed Lehigh Valley? No, but tax reform on the federal level—and the absence of reform on the state level—has made places like Easton more attractive than ever to refugees from high-tax states, in this case New York and New Jersey.

Look at the table on page 189. In terms of the revenues squeezed from residents, New York ranks 2nd (behind Washington, D.C.). New Jersey ranks 9th. But Pennsylvania, parts of which are easily accessible from New Jersey, comes in a low 28th. With a new freeway that cuts the driving time to Manhattan to 90 minutes, even New Yorkers who needn't always be in town might consider Easton.

You live in or around heavily taxed Boston? Lightly taxed Nashua, N.H. is only an hour away. No one should be surprised if houses in Nashua do better than houses in Boston.

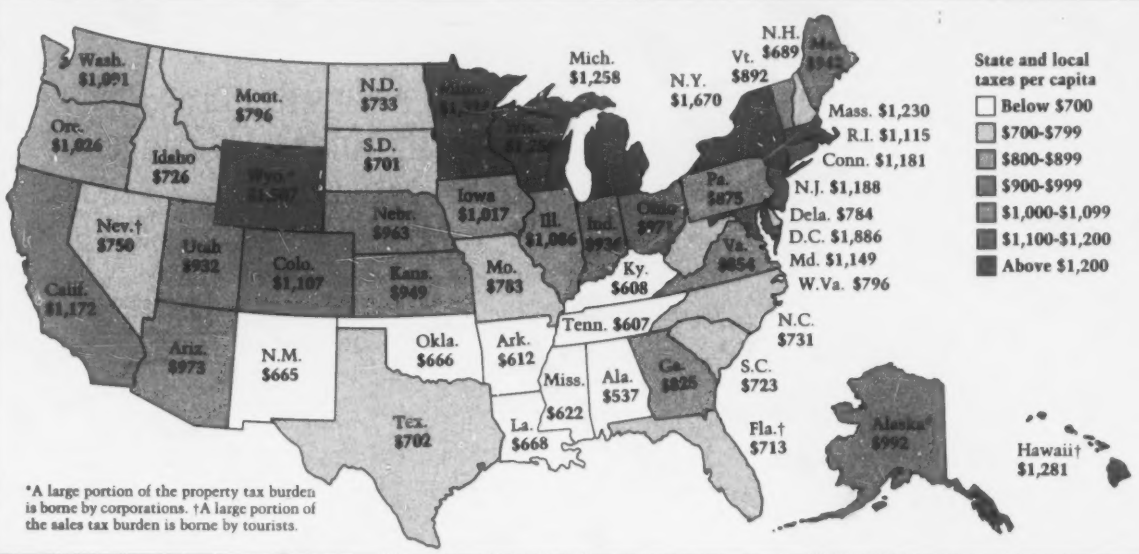
States with relatively low tax burdens do well under tax reform for two reasons. As top federal income tax rates drop to 28% from 50%, the deduction for state income and property taxes is worth proportionately less. The deduction for sales taxes is vanishing entirely. In short, the more lightly the feds tax you, the more onerous it becomes to live under a spendthrift state government.

A second reason for this is tax linkage. In most states, residents compute state taxes based on their federal tax returns. The feds are lowering rates but increasing the overall tax base. States applying their old rates to the income soon to be reported on federal 1040s will levy a big tax increase. New York could harvest, automatically, a tax windfall of $2 billion or more. Maryland stands to reap around $300 million, automatically, also.

In many states that use federal income as the base, changes in the federal tax code must be adopted by the

The bite, state by state

State tax burdens will be much more visible after tax reform lowers the value of federal deductions for income and property taxes to 28% from 50% and does away with the sales tax deduction entirely. Here's what each state collects per capita from individual income, property and general sales taxes.



*A large portion of the property tax burden is borne by corporations. †A large portion of the sales tax burden is borne by tourists.

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- $45,000 minimum investment
- no royalties
- in business for yourself, but not by yourself.

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In Canada, call 604-530-3177 or 416-441-6330

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AMERICAN CANCER SOCIETY

states' legislators. That has the virtue of forcing elected officials to confront the windfall problem. In some of these states, officeholders and office hopefuls have promised to return the windfall. These states include Minnesota (likely windfall: $200 million) and Wisconsin (up to $100 million).

But politicians don't part lightly with revenue. In California the windfall could come in at $1 billion, yet neither Governor George Deukmejian nor his Democratic challenger, Los Angeles Mayor Tom Bradley, has taken a position on the issue.

What states could do, of course, is return the money to taxpayers by reducing tax rates. Especially top rates, as that is where a disproportionate share of the added burden will fall. That's what revenue neutral is all about. But will the states do it?

"I think states will lower their [income tax] rates next year," says state tax expert Steven Gold of the National Conference of State Legislatures, "but not by the full amount."

Why not? In some states afflicted with farm and oil woes—think here of Louisiana, Montana and Iowa—cutting income taxes is impossible, so any windfall will likely go to cut the deficit.

Utah Governor Norman Bangerter plans to spend his $60 million windfall on education. Leading Maryland gubernatorial candidate William Schaefer has merely said Maryland has "unmet needs" that could soak up its $300 million surplus. In some other states, including Oregon, thousands of residents owe no taxes at the federal level but do owe at the state level, making enforcement difficult. Officials in these states may decide to use windfalls to remove low-income taxpayers from the rolls.

Note that tax reform will force four states—Nebraska, Vermont, Rhode Island and North Dakota—to raise their rates just to stay even after tax reform. This is because their residents are taxed a percentage of their federal tax liability, not their income. As the federal tax liability drops, so do the state's revenues.

New York's Mario Cuomo has pledged to return his state's up-to-$2-billion windfall to the people. Cuomo could use the money to reduce New York's (no longer deductible) sales tax, and still claim he returned the windfall—a maneuver that would do further wonders for the real estate market in Easton, Pa. and in other out-of-state communities within commuting distance.

Good-bye, New York.

Hello, Pennsylvania.

Thinking about moving?

Here, taken from the latest data and grouped according to region, are the per capita tax burdens the states impose on their residents' sales, property and income, plus the highest marginal income tax rate. The last column tells whether state income tax systems are linked to numbers taken from federal forms.

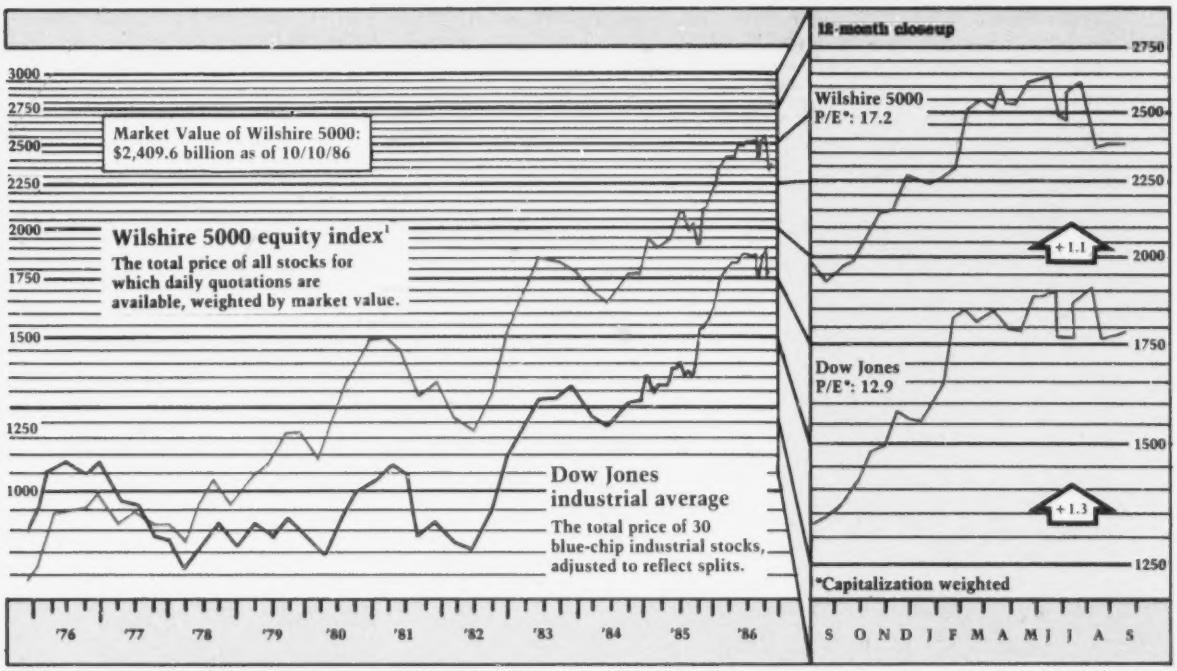
State	Rank	State and local revenues per capita from individual income tax	property tax	general sales tax	Highest marginal tax rate on income*	State linkage to fed tax code
Connecticut	10	$ 88	$668	$425	12% above $100,000†	yes
Maine	24	227	442	273	10% above $50,000	yes‡
Massachusetts	8	481	534	215	10% flat rate††	yes‡
New Hampshire	43	23	666	0	5% above $2,400†	no
Rhode Island	13	296	561	258	10.95% above$175,000**	yes
Vermont	27	249	490	153	13.25% above $175,000**	yes
Delaware	**33**	**587**	**197**	**0**	**9.7% above $40,000**	**yes**
Maryland	**12**	**542**	**380**	**227**	**5% above $3,000**	**yes**
New Jersey	**9**	**235**	**680**	**273**	**3.5% above $50,000**	**no**
New York	**2**	**616**	**650**	**404**	**13.5% above $26,000††**	**yes**
Pennsylvania	**28**	**301**	**345**	**229**	**2.2% flat rate**	**no**
Washington, D.C.	**1**	**771**	**638**	**477**	**11% above $25,000**	**yes‡**
Alabama	51	166	111	260	5% above $6,000	yes
Arkansas	48	185	170	257	7% above $25,000	yes
Florida	40	0	350	363	no tax	NA
Georgia	30	251	285	289	6% above $10,000	yes‡
Kentucky	49	232	173	203	6% above $8,000	yes‡
Louisiana	44	91	166	411	6% above $50,000	yes
Mississippi	47	100	189	333	5% above $10,000	yes
North Carolina	37	290	229	212	7% above $10,000	no
South Carolina	39	241	240	242	7% above $14,000	yes‡
Tennessee	50	12	213	382	6% flat rate†	no
Virginia	29	312	343	199	5.75% above $12,000	yes
West Virginia	31	202	191	403	13% above $120,000	yes‡
Illinois	**16**	**257**	**514**	**315**	**2.5% flat rate**	**yes**
Indiana	**25**	**236**	**342**	**358**	**3% flat rate**	**yes‡**
Michigan	**6**	**407**	**601**	**250**	**5.1% flat rate**	**yes**
Ohio	**21**	**335**	**371**	**265**	**8.55% above $100,000**	**yes**
Wisconsin	**7**	**458**	**510**	**288**	**7.9% above $40,000**	**yes‡**
Iowa	18	271	493	253	13% above $77,000	yes‡
Kansas	23	233	468	248	9% above $50,000	yes
Minnesota	4	557	466	301	14% above $32,000	yes‡
Missouri	34	208	234	341	6% above $9,000	yes
Nebraska	22	189	507	267	9.5% above $175,000**	yes
North Dakota	36	108	327	298	5.25% above $175,000**	yes
South Dakota	42	0	406	295	no tax	NA
Arizona	**20**	**173**	**350**	**450**	**8% above $13,000**	**yes‡**
New Mexico	**46**	**53**	**148**	**464**	**7.8% above $200,000**	**yes**
Oklahoma	**45**	**199**	**200**	**267**	**6% above $15,000**	**yes**
Texas	**41**	**0**	**418**	**284**	**no tax**	**NA**
Colorado	14	240	445	422	8% above $14,000	yes
Idaho	38	228	256	242	7.5% above $5,000	yes‡
Montana	32	207	589	0	11% above $46,000	yes
Utah	26	234	316	382	7.75% above $8,000	yes
Wyoming	3	0	1,100	407	no tax	NA
California	**11**	**361**	**385**	**426**	**11% above $56,000**	**yes‡**
Nevada	**35**	**0**	**298**	**452**	**no tax**	**NA**
Oregon	**17**	**455**	**571**	**0**	**10% above $5,000**	**yes‡**
Washington	**15**	**0**	**395**	**696**	**no tax**	**NA**
Alaska	19	2	873	117	no tax	NA
Hawaii	5	388	278	615	11% above $61,000	yes‡

*Rate given is for joint return. †No tax on earned income. ‡State is linked, but legislature must approve changes. **State tax is a percentage of federal income tax liability. Highest state marginal rate is found by multiplying that percentage by 50% (highest federal marginal rate in 1986). ††Rate is for unearned income. Massachusetts taxes earned income at a flat 5.19% rate; New York taxes earned income over $17,000 at 9.5%. NA: Not applicable.

Sources: Advisory Commission on Intergovernmental Relations (Significant Features of Fiscal Federalism 1985-86 Edition); *Steven Gold.*

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Over-the-counter stocks are recovering more slowly than blue chips after the September selloff. While the Dow, NYSE and Amex are all down about 7% from their summer peaks, the Nasdaq is behind 14%. In the last two weeks the Dow industrials gained 1.3%, the NYSE 1.3%, the Amex 1% and the Wilshire index of more than 5,800 issues 1.1%. But Nasdaq shares moved up only 0.5%.

Does the lag in the Nasdaq mean that these shares are undervalued? Only if investors believe that the market as a whole is a bargain and that secondary stocks will follow in the wake of another blue-chip rally. One year ago the Forbes Sales 500 sold at a P/E of 11.7 times latest 12-month earnings. The P/E on the Forbes Sales 500 is now 15.8. Earnings forecasts show that stocks are not as cheap as they appeared to be last year. A year ago the Forbes Sales 500 traded for 8.7 times estimates of 1986 earnings. Now the estimated P/E against earnings estimates for the next fiscal year, 1987, is up to 11.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	2.1	1.8	2.0	2.2	2.9	1.9
in last 52 weeks	26.6	23.2	33.8	27.3	18.8	25.5

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	3.2	2.3	5.1	2.1	2.5	2.6	1.8	3.7	4.6	1.9	2.9	0.2
in last 52 weeks	31.2	42.3	64.1	33.4	22.8	37.4	27.2	42.2	54.5	39.5	39.4	26.9

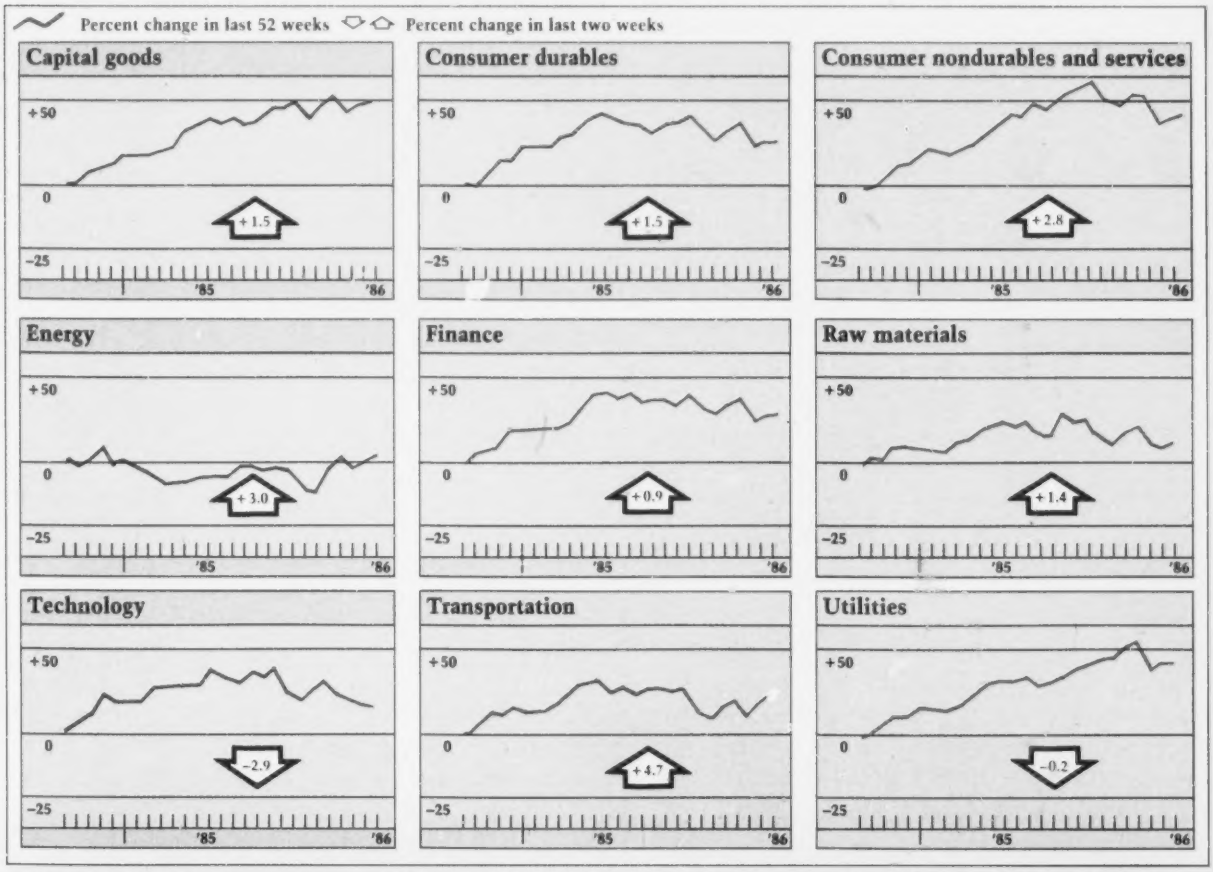
[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created.
[2]Based on sales.
[3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 10/10/86. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

IBM rattles Wall Street. Forecasts of lower third-quarter earnings caused a nearly 12-point decline in IBM, to 124, during the last two weeks. The drop in IBM was a significant factor behind a 2.9% drop in the technology sector. (With more than 615 million shares outstanding, IBM lost $7.3 billion in market capitalization in two weeks.) In fact, had IBM remained unchanged over the past ten trading days, the Wilshire index would have gained 1.4% rather than 1.1%.

The damage went beyond technology stocks—utilities lost 0.2% in the past two weeks—but six of the remaining seven Wilshire sectors outperformed the market. Transportation, consumer nondurables and energy gained more than twice as much as the market.



What The Analysts Think

Losing altitude but gaining control. Earnings estimates continue to fall for transportation stocks. But the Institutional Brokers Estimate System reports that analysts are slackening their reductions. This hint of optimism is a reflection of recent consolidations in the airline industry, which could bring higher fares and higher earnings.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.70	15.8
1986 estimates	3.25	13.1
1987 estimates	3.88	11.0

Rank based on change in estimate	Sector	Estimated 1986 EPS	Estimated 1986 P/E	% change in 1986 estimate in 2 weeks	% change in 1986 estimate in 4 weeks
1	Utilities	$3.27	10.3	-0.09%	-0.44%
2	Consumer nondurables	2.07	16.0	-0.21	-0.56
3	Technology	2.55	14.0	-0.65	-1.46
4	Finance	3.21	10.8	-0.70	-0.85
5	Consumer durables	3.76	10.8	-0.79	-1.26
6	Energy	2.00	15.9	-0.84	-2.82
7	Capital goods	2.29	16.4	-1.20	-3.04
8	Raw materials	1.83	16.8	-1.28	-2.98
9	Transportation	1.43	19.7	-3.31	-5.48

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 10/10/86. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

MONEY & INVESTMENTS

Price patterns have a habit of repeating themselves year after year. You may be able to profit from such action.

SEASONALLY PERFECT

By Stanley W. Angrist

Seasonality is one of those basic concepts in futures trading that no really well-rounded trader can afford to be ignorant of. Two items crossed my desk recently that have caused me to look at the phenomenon again.

First, Jake Bernstein, the Isaac Asimov of writing on futures trading, has come out with a new book entitled *Seasonal Concepts in Futures Trading* ($60, John Wiley & Sons). It provides a brief but comprehensive introduction to the concept.

But Bernstein does considerably more. He discusses the importance of cash market seasonals—a subject he knows well. (In 1977 he became one of the first advisers to make available to futures traders detailed information on them.) He lucidly tells how traders can generate their own seasonal price charts with modest computational skills. Bernstein shows how what he calls "seasonal runs" may be picked off these charts to generate substantial profits.

Most commodity traders feel that if they get one good idea from a book they have gotten their money's worth. Bernstein presents more than one good idea, not the least of which is the chapter on the "critical seasonal month." The concept is simple enough: For certain commodities, he has found that if prices closed above the high or low for that commodity's critical month, they are likely to continue in the direction of the penetration.

But suppose you don't have even modest computing skills, and have no interest in gaining them so that you can pick out seasonals. All is not lost for you. Frank Taucher, that intrepid wizard of the commodity-price-crunching machines, has done it again. This time he has put his "idiot savants" to looking for seasonals that might offer low-risk opportunities worth trading. And he makes all his efforts available to you at a price that makes your doing it yourself not worth it. For only $25 to $50 per commodity, he will provide you with, on average, seven seasonals. Call 918-493-2897 for more information.

For example, Taucher notes that if you buy March T bonds on Oct. 31 and sell them on Nov. 22, you stand a very good chance of making some money. In fact, the average profit on this trade over the last nine years is more than $1,700. During that time the trade has never shown a loss if entered and exited on the dates specified.

If you are not a 100% dyed-in-the-wool technician, you might ask yourself, why should bonds go up year after year in this manner? Actually, there are a number of reasons that could cause this price action.

First, the Treasury holds a quarterly refunding auction the first week in November, and dealers want to hedge their investments by selling prior to the sale, thus pressuring prices. Then, after the auction, bonds have a tendency to rebound. Second, the recommended trade involves the March contract, which tends to perform better than December, probably in anticipation of the massive government tax receipts that will come in during the end of the first quarter. Prudent traders will keep in mind that there are important congressional elections taking place in the time period of this seasonal that could derail it. In fact, all or none of the above might be true—the important thing, as technicians know, is that historically bond prices rise during the first three weeks of November.

Taucher recommends that you use a technical trading method with which you feel comfortable in order to take up your position and ignore sell signals during this period. Based on history, a $1,700 stop should contain any drawdowns. ■

Stanley W. Angrist is a commodity speculator, consultant and longtime observer of the commodity markets.

Just the right spice

March T bonds have shown a remarkably reliable seasonal tendency to rally from late October to the third week in November. The average profit has been $1,753 per year; the average drawdown only $681.

Entry year	Entry price	Exit price	Profit on trade	Worst drawdown	Maximum profit
1977	100.75	101.56	$813	$-438	$875
1978	91.12	93.09	1,969	0	2,281
1979	80.16	81.53	1,375	–1,656	1,531
1980	68.19	69.44	1,250	–1,531	2,250
1981	58.87	63.09	4,219	0	6,063
1982	76.97	77.16	188	–1,094	1,500
1983	70.12	71.19	1,063	–750	1,063
1984	70.03	72.53	2,500	–656	2,500
1985	77.19	79.59	2,406	0	3,063

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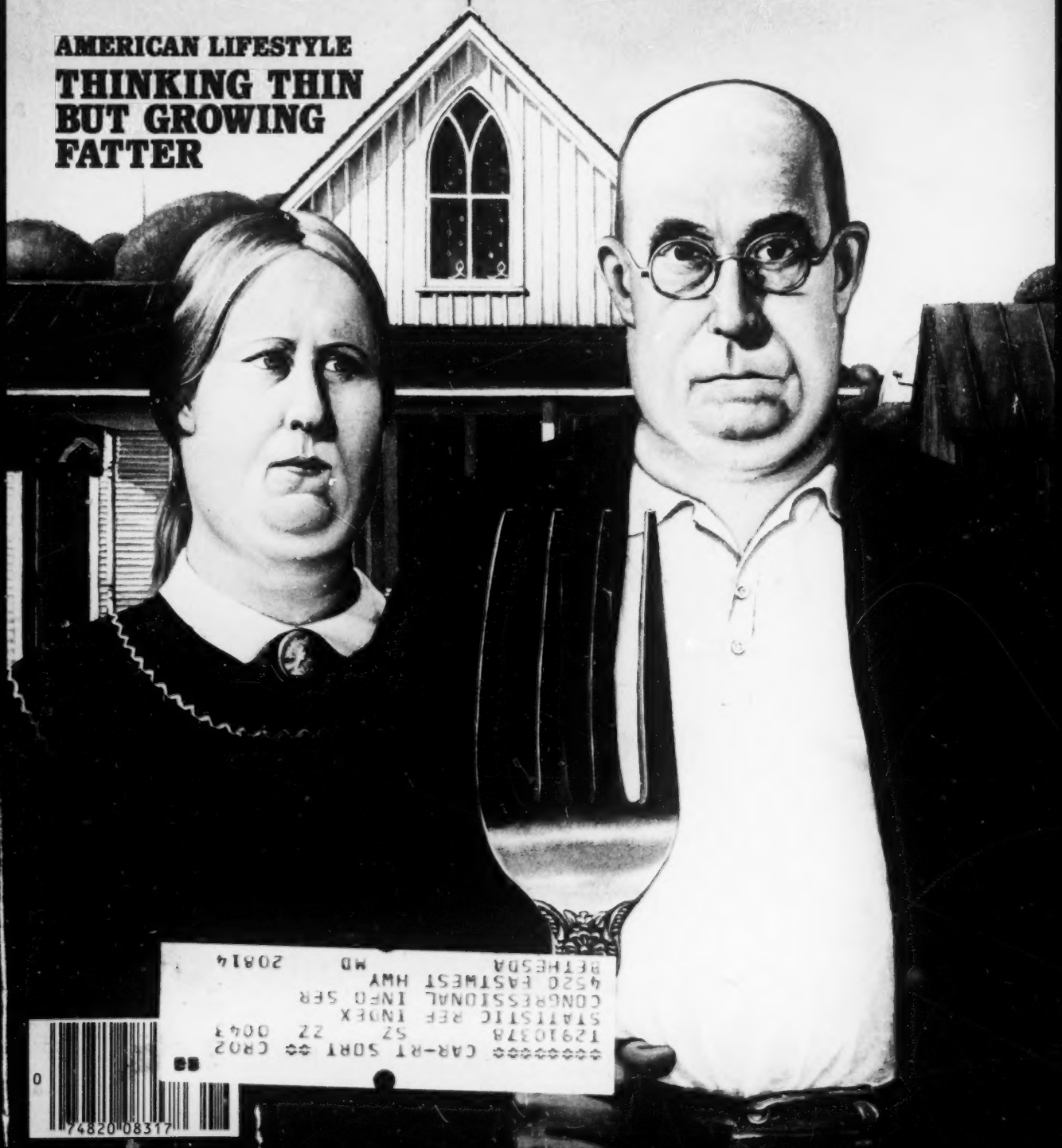
NOVEMBER 17, 1986 THREE DOLLARS FIFTY CENTS

THE BIGGEST PRIVATE COMPANIES IN AMERICA

Forbes

AMERICAN LIFESTYLE

THINKING THIN BUT GROWING FATTER



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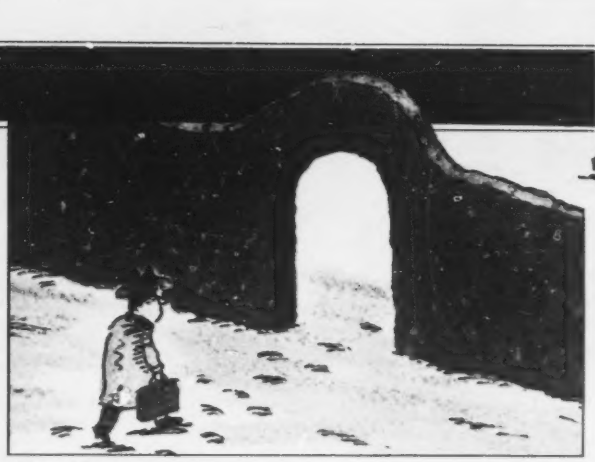

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November 17, 1986 Volume 138 Number 11 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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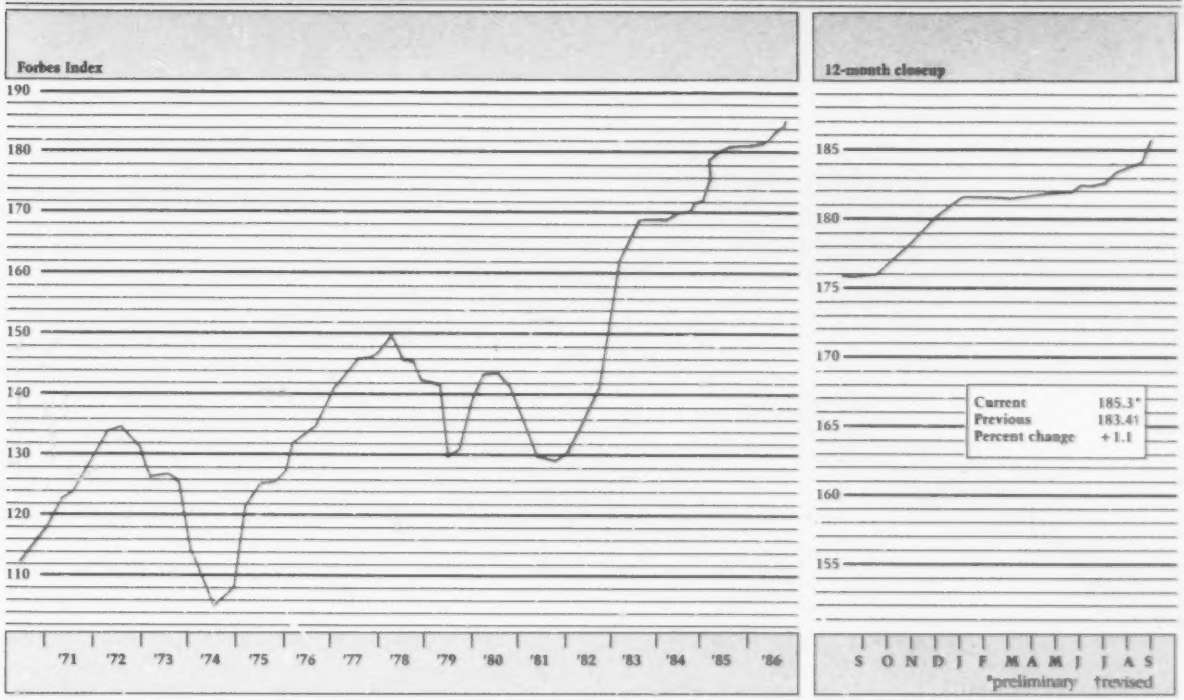
The Forbes Index



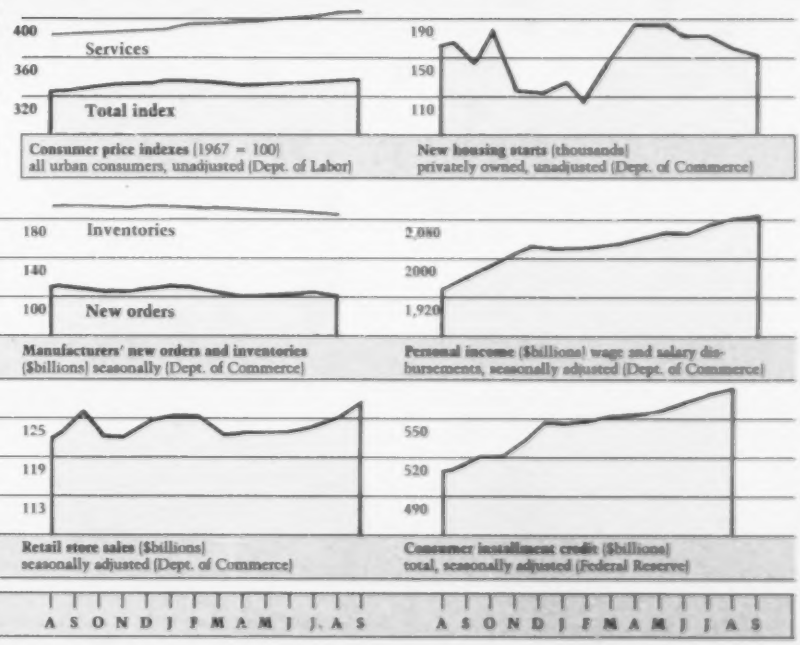
Borrowing from the future. The Forbes Index shot up 1.1% during the latest reporting period, the biggest month-to-month jump since August of 1985. Why? Generous auto financing incentives from Detroit pushed up retail sales 4.7% from August to September. This was the largest monthly increase in over three years—with two related, unpleasant side effects. Not only is this sales pace unlikely to be maintained, but it has also pushed up the level of consumer debt.

The rest of the economy seems to be improving. Industrial production and personal income went up by 0.2% and 0.3%, respectively, from August to September. New housing starts decreased by 6.5% in September but still remain 5.2% higher than they were a year ago.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Who needs the stock exchange? A thriving collection of large companies seems to do well enough without it. And you can get plenty rich off a private company.

The shadow economy

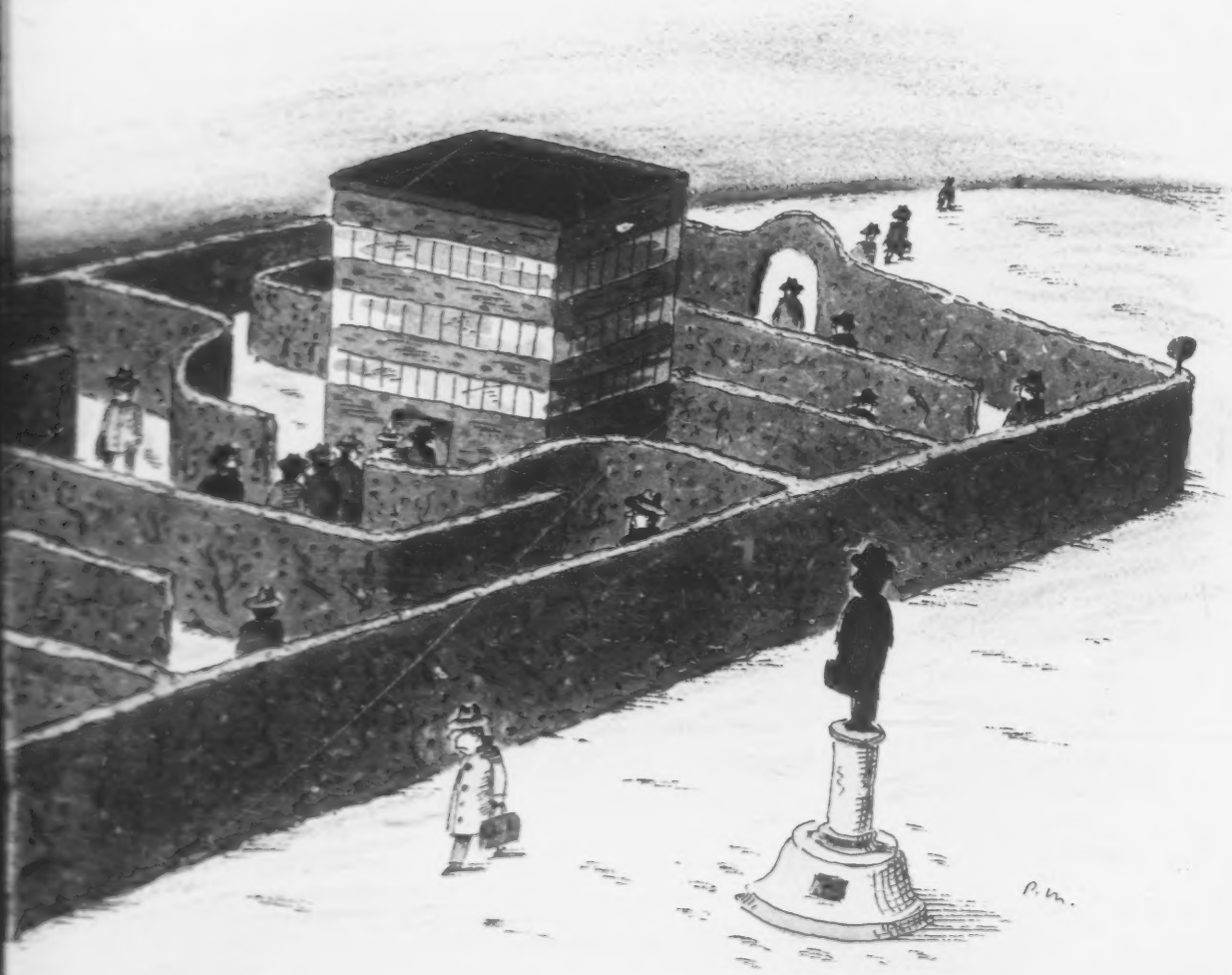
By Steve Kichen
and Michael Ozanian

WHAT WITH RAIDERS, foreign competition and disinflation, publicly owned industry is on the defensive. To stay competitive, big goods-producing corporations are often forced to shrink. Employment among the largest public companies is on a downward trend. Net of inflation, their combined sales were off slightly last year.

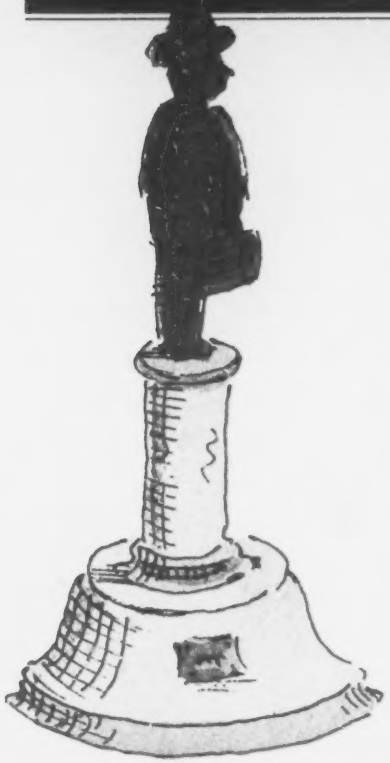
Is this shrinkage representative of the whole economy? Not quite. A somewhat different picture emerges in the lesser-known world of private corporations, which range from $32 billion Cargill down to the corner dry cleaner. They seem to be holding their own in this turbulent economy. All told, they account for a third of U.S. production. The combined sales estimates for the largest 400 of them come to $390 billion for 1985, an 11% gain net of inflation from the year earlier. Employment also went up, to 2.8 million.

There is a simple reason for this. Private business is strong in the service sector, the growing part of the economy. It isn't as well represented in the goods-producing sector, the one most exposed to competition from cheap labor abroad.

Look down the list, which begins on page 193. Distributors, accountants, engineers, brokers, ad agencies and publishers predominate; manufacturers are scarce. There is no private airline of any size, no utility, few banks and insurers, one railroad.



The Largest Private Companies in the U.S.



A half-century ago the giants of American capitalism were the big users of fixed capital—rails, steels, utilities—and they were (and are) publicly traded because they need access to public equity markets. Nowadays wealth is as likely to be measured in mailing lists or franchise rights as in rolling stock. And in the accumulation of intangible capital, private corporations are at no special disadvantage to public companies.

Running a private business is also one of the handiest ways to get rich in our society. No fewer than 64 large private companies have proprietors that show up on The Forbes Four Hundred list of rich Americans. Half the 26 billionaires in the U.S. derive their wealth from private companies. It seems that John Kenneth Galbraith's 1960s-era model of an economy of corporate giants, in complete control of their destiny and not answerable to their anonymous owners, was never entirely true, and it is even less true today.

Why are so many large corporations private? Some never needed public capital. Some used to be public and went private to capitalize on the tax advantages of debt financing. And some simply value the flexibility of not having to answer to outsiders. Says Roger Fridholm, president of $1.5 billion Stroh Brewery, the U.S.' largest private brewer: "We don't have to let the competition know how we are doing." Adds Cruse W. Moss, chairman of General Automotive, which acquired Grumman's Flxible bus operations: "We can pursue opportunites that get bogged down in a public company."

Private companies, it seems, can sometimes do it cheaper or better. Hence the rash of restructurings by diversified companies, unloading troublesome or misunderstood divisions that are better left to their own devices.

First Brands, formerly Union Carbide's consumer products group (Prestone antifreeze and Glad Bags), became independent in July. "The buyout improved morale," says Daniel Raymond, First Brands' secretary. Ralston Purina sold Foodmaker (operator of Jack in the Box fast-food outlets) to management. Beatrice sold its Avis car-rental unit to Wesray Capital. Relieved of corporate overhead and of the burden of a cumbersome decision-making process, these outfits may well be worth more as private companies than as part of a giant corporate whole.

Going private is sometimes, of course, just a transition before going public again in restructured form. Fred Meyer, a $1.5 billion (sales) retailer taken private five years ago by Kohlberg Kravis Roberts, went public again in October, making $240 million for equity participants. Another KKR deal, Beatrice Cos., won't wait as long. A slimmed-down Beatrice reportedly plans to go public next year, about a year after the company went private in a $6 billion leveraged buyout.

In the past year such big companies as Jack Eckerd (drugstores), Midland-Ross (industrial equipment), Warnaco (clothing) and Sybron (medical equipment) went private. By year's end they will be joined by Safeway Stores, the nation's largest grocery chain, Heck's (department stores), Revere Copper & Brass (metal fabricating) and Viacom International (television) if pending deals go through.

In the other direction? Bear, Stearns and Morgan Stanley offered stock because they needed additional capital to stay competitive in securities trading. The private companies, meanwhile, make a shopping list for takeover artists. "Your private list is valuable for investors looking to buy companies," says Andrew Galef, chairman of three companies on our list: Warnaco, Exide (batteries) and Magnetek (electronic equipment).

So we're not saying that the big private corporation is about to disappear. If the stock market goes up again, making P/E ratios irresistible for people needing to raise capital or wanting to cash in, there may even be a rash of private firms going public. Even so, the eclipse of the private firm is now over: In the new economy—no longer capital-intensive but knowledge-intensive—the private company has a bright future. ■

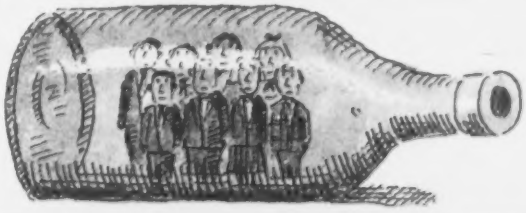
What's a private company?

In this second annual survey of private business, we rank by sales the largest American corporations whose stock is not widely traded: Either they have too few shareholders (generally 500) to file financial reports with the SEC, or they file but the stock is not available to the public. Most of the entries in the table fall in the former category. The exceedingly profitable United Parcel Service (1985 net income, $568 million) and the secretive defense contractor Science Applications International are among those that fall in the latter category.

Affiliates of public companies (for example, Caltex, jointly owned by Chevron and Texaco), mutuals and cooperatives (Prudential Insurance, Gold Kist) and foreign-owned companies are excluded. Sales figures are for the most recent fiscal year available, confirmed in most cases by the companies.

In other cases we relied for estimates on whatever sources were available: government filings, competitors, dissident shareholders. Perrin Long, the financial industry analyst at Lipper Analytical Services, provided estimates for brokerage firms.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
1	1	**Cargill**/commodity trading	$32,000	46,000	Whitney MacMillan	Minnetonka, MN
2	4	**Koch Inds**/petroleum and natural gas	16,000	6,500	Charles Koch	Wichita, KS
3	2	**Continental Grain**/commodity trading	14,000	12,000	Michel Fribourg	New York, NY
4	■	•**Beatrice**/food and consumer products	11,858	100,000	Donald P Kelly	Chicago, IL
5	3	**Apex Oil**/oil refining, transporting and trading	8,000e	10,000	Anthony Novelly	St Louis, MO
6	7	**United Parcel Service**/package delivery	7,686	150,000	John W Rogers	Greenwich, CT
7	8	**Mars**/candy	7,000e	22,000	Forrest E Mars Jr	McLean, VA
8	6	**Bechtel Group**/engineering, construction	6,800	23,000	Stephen D Bechtel Jr	San Francisco, CA
9	52	**Peter Kiewit Sons**/commercial construction	4,400	31,000	Walter Scott Jr	Omaha, NE
10	■	•**RH Macy**/department stores	4,368	55,000	Edward S Finkelstein	New York, NY
11	12	**Louis Dreyfus**/grain exporting	4,000	650	GL Dreyfus	Stamford, CT
12	■	•**Swift Independent Holdings**/meatpacking	4,000[1]	9,200	Edward Cox Jr	Dallas, TX
13	219	•**Goldman, Sachs & Co**/investment banking and brokerage	3,600e	5,100	John L Weinberg	New York, NY
14	9	•**ARA Services**/food, transport and health services	3,526e	112,000	Joseph Neubauer	Philadelphia, PA
15	10	**Publix Supermarkets**/grocery stores	3,476	24,000	George W Jenkins	Lakeland, FL



At one time there were hundreds of private family-run breweries. Stroh is the last large one left.

16	11	•**Malone & Hyde**/food wholesaling	3,137	10,778	JR Hyde III	Memphis, TN
17	13	**Carlson Cos**/multicompany	3,125	50,000	Curtis L Carlson	Minneapolis, MN
18	■	**George E Warren**/oil trading	2,846	75	A David Stillman	Boston, MA
19	■	•**Marmon Group**/multicompany	2,767	27,095	Robert A Pritzker	Chicago, IL
20	14	•**Levi Strauss Assoc**/apparel	2,600	35,000	Robert D Haas	San Francisco, CA
21	■	•**Jack Eckerd**/drugstores	2,508	32,400	Stewart Turley	Clearwater, FL
22	■	•**American Financial**/insurance	2,272	45,000	Ronald F Walker	Cincinnati, OH
23	59	**Drexel Burnham Lambert**/investment banking and brokerage	2,200e	8,600	Frederick H Joseph	New York, NY
24	19	**Milliken & Co**/textiles	2,200e	45,000	Roger Milliken	New York, NY
25	22	**Lincoln Property**/real estate devel & mgt	2,100	5,500	A Mack Pogue	Dallas, TX
26	21	•**Pace Industries**/multicompany	2,055	20,200	James W Wilcock	New York, NY
27	17	**Advance Publications**/newspapers, magazines, books	2,030	18,500	SI Newhouse Jr	Staten Island, NY
28	15	**Farley Industries**/multicompany	2,000[2]	22,000	William F Farley	Chicago, IL
29	235	**General Felt Industries**/carpeting, furniture, auto parts	2,000	14,500	Marshall S Cogan	Saddle Brook, NJ
30	■	**H Group Holdings**/multicompany	2,000e	30,000	Jay Pritzker	Chicago, IL
31	18	**SC Johnson & Son**/specialty chemicals	2,000e	11,000	Samuel C Johnson	Racine, WI
32	25	**HE Butt Grocery**/grocery stores	1,900	23,000	Charles C Butt	San Antonio, TX
33	23	•**Rapid-American**/retail stores	1,898	56,500	Meshulam Riklis	New York, NY
34	■	**First Petroleum**/petroleum wholesaling	1,830	170	Alfred Slifka	Waltham, MA
35	30	**Hallmark Cards**/greeting cards	1,680	20,000	Irvine O Hockaday Jr	Kansas City, MO
36	37	**Peat, Marwick, Mitchell & Co**/accounting	1,672	31,700	Larry D Horner	New York, NY
37	38	•**Dominick's Finer Foods**/grocery stores	1,600	14,000	Dominick DiMatteo	Northlake, IL
38	26	**Graybar Electric**/electrical equipment wholesaling	1,600	4,500	James L Hoagland	St Louis, MO
39	56	**Arthur Andersen & Co**/accounting	1,573	29,800	Duane R Kullberg	Chicago, IL
40	28	**Belk Brothers**/department stores	1,500e	22,500	John Belk	Charlotte, NC

■ Not on last year's list. •Went private via leveraged buyout within last six years. e: estimate. [1] Includes figures for Val-Agri acquired in 1986. [2] Includes Farley Apparel ($900 million sales), which may make public offering in near future.

The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
41	29	•**Dillingham**/construction, maritime trans, ship repair	$1,500	6,100	JJ Casey	San Francisco, CA
42	35	•**First National Supermarkets**/grocery stores	1,500	14,519	Richard J Bogomolny	Maple Heights, OH
43	33	**Hearst Publications**/publishing, broadcasting	1,500e	12,000	Frank A Bennack Jr	New York, NY
44	■	**Stevedoring Group of Am**/stevedoring svcs, food wholesaling	1,500e	5,500	Tom Stewart	Seattle, WA
45	27	**Stroh Brewery**/brewing	1,500	6,000	Peter W Stroh	Detroit, MI
46	36	**Cox Enterprises**/publishing, broadcasting	1,471	15,000	James Robbins	Atlanta, GA
47	39	**Giant Eagle**/food distributing, grocery stores	1,450	11,000	David S Shapiro	Pittsburgh, PA
48	42	**Readers Digest Association**/publishing	1,400	8,000	George V Groune	Pleasantville, NY
49	50	**Steelcase**/office furniture and systems	1,393	15,000	Robert C Pew	Grand Rapids, MI
50	106	**Coopers & Lybrand**/accounting	1,375e	36,243	Peter R Scanlon	New York, NY
51	46	•**Denny's**/restaurants	1,350	52,000	Vern O Curtis	La Mirada, CA
52	■	•**National Gypsum**/building materials	1,340	12,800	John P Hayes	Dallas, TX
53	43	•**Amstar Holdings**/sugar, electrical tools	1,322	7,600	Howard B Wentz Jr	New York, NY
54	44	**Hy-Vee Food Stores**/grocery stores, drugstores	1,300	16,000	Ron Pearson	Chariton, IA
55	41	**McLane**/food wholesaling	1,300	2,000	Brenton McLane Jr	Temple, TX
56	■	•**SCOA Industries**/department stores	1,214	20,000	Herbert H Goldberger	Canton, MA
57	48	**Estée Lauder**/cosmetics	1,200e	10,000	Estée Lauder	New York, NY
58	■	**Furrs**/grocery stores	1,200	9,500	Tom Friederich	Lubbock, TX
59	■	**Gateway Foods**/food wholesaling	1,200	3,000	DB Reinhart	La Crosse, WI
60	49	**JR Simplot**/frozen, dry & dehy foods, fertilizer	1,200	10,000	Dale Dunn	Boise, ID
61	54	**Arthur Young**/accounting	1,200	26,640	William L Gladstone	New York, NY
62	95	**Gilbane Building**/commercial construction	1,191	1,311	Paul J Choquette	Providence, RI
63	53	**Sammons Enterprises**/ins, cable TV, wholesale ind supply	1,190e	5,500	James Keay	Dallas, TX
64	78	**Ernst & Whinney**/accounting	1,185	12,000	Ray J Groves	Cleveland, OH
65	65	•**Weirton Steel**/steel	1,156	8,131	Robert L Loughhead	Weirton, WV

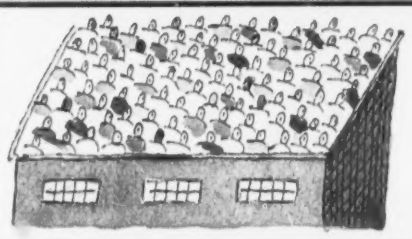
Avis is trying harder, now that it has LBO debt to shoulder.

66	45	•**Avondale Industries**/shipbldg, indus prods, RR freight cars	1,150	10,000	William F Connell	Boston, MA
67	58	**Connell Rice & Sugar**/food wholesaling	1,100e	200	Grover Connell	Westfield, NJ
68	■	**Frank Consol Enterprises**/auto dealerships, travel agency	1,100[3]	2,000	James Frank	Des Plaines, IL
69	63	**Meijer**/department stores	1,100e	16,000	Fred Meijer	Grand Rapids, MI
70	182	**Deloitte Haskins & Sells**/accounting	1,059	25,000	J Michael Cook	New York, NY
71	155	**Anschutz**/oil and gas production	1,050e	3,250	Philip F Anschutz	Denver, CO
72	■	**Chilewich Sons**/commodity trading	1,000	850	Simon Chilewich	New York, NY
73	■	**Cumberland Farms**/convenience strs, petroleum distrib	1,000	8,500	Demetrios B Haseotes	Canton, MA
74	60	**Dunavant Enterprises**/cotton trading	1,000	1,000	William B Dunavant	Memphis, TN
75	■	**Finevest Services**/diversified holding company	1,000	10,000	William Berkley	Greenwich, CT
76	61	**Helmsley-Spear**/real estate	1,000	13,000	Harry B Helmsley	New York, NY
77	■	**LeFrak Organization**/real estate devel and mgt	1,000e	2,000	Samuel J LeFrak	Forest Hills, NY
78	64	**Trammell Crow**/real estate development & management	1,000e	2,000	J McDonald Williams	Dallas, TX
79	■	**Trump Organization**/real estate development & management	1,000e	14,000	Donald J Trump	New York, NY
80	■	**Union Holdings**/natural gas and food processing	1,000e	2,700	Anthony L Geller	Independence, KS

■ Not on last year's list •Went private via leveraged buyout within last six years. e: estimate. [3] Includes IVI Travel, acquired April 1986.

The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
81	■	**Valleydale Packers**/meatpacking	$1,000e	2,608	Jack L Wagner	Bristol, VA
82	67	**Sweet Life Foods**/food wholesaling	975	1,800	Julian Leabitt	Suffield, CT
83	203	**Touche Ross & Co**/accounting	973	26,000	Edward Kangas	New York, NY
84	100	**Vantage Cos**/commercial construction	958	8,000	John Eulich	Dallas, TX
85	■	•**US Plywood**/lumber	950	2,000	Richard W Lowry	Wilton, CT
86	168	**Tauber Oil**/petroleum wholesaling	924	47	OJ Tauber Jr	Houston, TX
87	■	•**Avis**/auto rental	916	10,500	JP Barrett	Garden City, NY
88	97	**Ingram Inds**/csmr prods, software, texts, coal, water trans	900	2,300	Bronson Ingram	Nashville, TN
89	161	**Hunt Corp**/commercial and industrial construction	852	256	Robert C Hunt	Indianapolis, IN
90	■	**Scripps-Howard**/publishing, broadcasting	850	10,000	Lawrence A Leser	Cincinnati, OH



Some of the largest private companies are employee-owned: UPS, Science Applications, Weirton Steel, Dan River, Raymond International, American Cast Iron Pipe, Journal, Nibco.

91	■	•**First Brands**/consumer products	848	4,000	Alfred E Dudley	Danbury, CT
92	94	**Demoulas Super Markets**/grocery stores	845	6,500	TA Demoulas	Tewksbury, MA
93	101	**Perdue Farms**/poultry processing and mktg	840	12,000	Franklin P Perdue	Salisbury, MD
94	103	**Potamkin Cadillac**/auto dealerships	822	2,900	Victor Potamkin	New York, NY
95	166	**Schreiber Foods**/food processing	820	3,300	Robert G Bush	Green Bay, WI
96	47	**Amway**/household products	800e	7,000	Rich DeVos	Ada, MI
97	156	•**Atlantic Refining & Marketing**/oil refining & marketing	800	1,000	John Deuss	Philadelphia, PA
98	93	**Delaware North**/food svc, metals, appliance distrib	800	25,000	JM Jacobs	Buffalo, NY
99	80	**Esprit de Corp**/apparel	800	3,703	Doug Tompkins	San Francisco, CA
100	■	**McCarthy**/commercial construction	800	1,500	Michael M McCarthy	St Louis, MO
101	81	**Raley's**/grocery stores	800	5,000	Thomas Raley	Sacramento, CA
102	■	•**Red Owl Holdings**/food wholesaling	800	3,000	C Patrick Schulke	Hopkins, MN
103	124	**Wegmans Food Markets**/grocery stores	800	4,000	Robert B Wegman	Rochester, NY
104	83	**Wyatt**/petroleum wholesaling	800	90	Dudley F Blanchard	New Haven, CT
105	121	**Smith Barney, Harris Upham & Co**/inv banking & brokerage	790e	5,900	John A Orb	New York, NY
106	102	**Amerco/U-Haul** vehicle rental	783	12,500	Leonard S Shoen	Las Vegas, NV
107	■	•**Cole National**/specialty retailing	781	11,500	Jeffrey A Cole	Linhurst, OH
108	■	**First Texas Financial of Delaware**/savings & loan	777	2,300	J Livingston Kosberg	Dallas, TX
109	75	•**Parsons Corp**/engineering and construction	773	8,000	William E Leonhard	Pasadena, CA
110	108	**Golden State Foods**/meat, supplies for McDonald's	770e	1,300	James E Williams	Pasadena, CA
111	115	**Gates**/auto parts	768[4]	12,000	Charles C Gates	Denver, CO
112	150	**McDevitt & Street**/construction	765	2,495	ER Street	Charlotte, NC
113	120	**E&J Gallo Winery**/wine	750e	2,700	Ernest Gallo	Modesto, CA
114	96	**Horsehead Industries**/zinc, carbon & graphite prods	750	3,000	William E Flaherty	New York, NY
115	66	**Schnuck Markets**/grocery stores	750e	2,530	Craig Schnuck	Bridgeton, MI
116	86	**Simpson Timber**/timber, paper and plastics	750e	6,000	William G Reed Jr	Seattle, WA
117	82	**Transammonia**/trading fertilizer & petrol prods	750	175	Ronald P Stanton	New York, NY
118	127	**Gulf States Toyota**/auto importing	738e	600	Jerry Pyle	Houston, TX
119	■	•**Midland-Ross**/aerospace, electronics, ind equip	734	9,900	Richard W Viser	Cleveland, OH
120	40	**A Johnson & Co**/oil trading, telecommun equip	733	1,508	John W Priesing	New York, NY

■ Not on last year's list. •Went private via leveraged buyout within last six years. e: estimate. [4] Does not include Gates Learjet holdings, which were sold in September 1986.

The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
121	377	**Barton-Malow**/commercial and ind construction	$730	450	Benjamin Maibach Jr	Detroit, MI
122	104	**NES**/precision instruments	730	1,550	Robert A Martin	Carpentersville, IL
123	109	**Golub**/grocery stores	725	8,300	Lewis Golub	Schenectady, NY
124	■	**Thrifty Oil**/petroleum refining	725e	1,450	Ted Orden	Downey, CA
125	71	**E-Z Serve**/retailing, wholesaling petroleum products	722	425	Ray McGlothlin Jr	Abilene, TX
126	91	•**Allegheny Ludlum**/specialty steel	716	5,400	Richard P Simmons	Pittsburgh, PA
127	■	**Clark Construction Group**/general contracting	716	2,500	A James Clark	Bethesda, MD
128	■	•**Amsted Industries**/RR equip, building materials	701	8,800	Robert H Wellington	Chicago, IL
129	111	•**Cone Mills**/textiles	700	9,950	Dewey L Trogdon	Greensboro, NC
130	■	**Gillett Group**/meatpacking, broadcasting, resorts	700e	4,800	George N Gillett Jr	Nashville, TN
131	■	**Lennox International**/climate-control equip	700e	6,000	John W Norris Jr	Dallas, TX
132	■	**Scoular**/grain storing & merchandising, agric chems	700	450	Marshall E Faith	Omaha, NE
133	■	**Western Auto**/auto parts stores	697	4,200	John T Lundegard	Kansas City, MO
134	■	**Stephens**/investment banking and brokerage	695e	280	Warren A Stephens	Little Rock, AR
135	■	•**PIE*Nationwide**/trucking	680	11,000	Morton Huff	Jacksonville, FL
136	■	•**Seven-Up**[5]/soft drinks	678	560	Edward W Frautel	St Louis, MO
137	114	**Warren Equities**/oil & gas wholesaling & retailing, conv strs	675	1,400	Warren Alpert	New York, NY
138	131	**Rich Products**/frozen foods	660	5,000	Robert E Rich Jr	Buffalo, NY
139	■	**Randall's Food Markets**/grocery stores	650	2,800	Robert R Onstead Sr	Houston, TX
140	■	**Worldwide Volkswagen**/distr VW & Audi autos & parts	650	400	Arthur Stanton	Orangeburg, NY

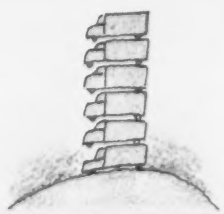
There are no publicly traded auto dealerships. One private one, Potamkin, does $822 million in sales.

141	145	**Price Waterhouse**/accounting	645	29,000	Joseph E Connor	New York, NY
142	116	**Alfred M Lewis**/food distributing, grocery stores	643	900	Michael C Burandt	Riverside, CA
143	119	**Drummond**/coal	635	3,350	Garry N Drummond	Jasper, AL
144	107	**Dubuque Packing**/meatpacking	633	1,450	Charles E Stoltz	Omaha, NE
145	132	**Rock Island Refining**/petroleum products	625e	300	John Hofer	Indianapolis, IN
146	■	**Amcena**/department stores	620e	8,300	Ronald Brenninkmeyer	New York, NY
147	■	•**Ticor Insurance**/title insurance	618	7,116	Winston V Morrow	Los Angeles, CA
148	■	**Eighty Four Lumber**/retailing building materials	608	3,300	Joseph A Hardy Sr	Eighty Four, PA
149	125	•**Arcata**/printing and forest prods	600	7,000	Edward L Scarff	San Francisco, CA
150	■	**Associated Metals & Minerals**/metal trading	600	210	Stefan E Eliel	White Plains, NY
151	92	**Crowley Maritime**/marine transportation	600	4,500	Thomas B Crowley	San Francisco, CA
152	■	•**Edgcomb**/steel service center	600	2,000	Michael Scharf	New York, NY
153	146	**Hartz Mountain**/pet food, real estate, publishing	600e	3,000	Leonard Stern	Harrison, NJ
154	128	**Metallurg**/metals mining	600	4,000	Michael A Standen	New York, NY
155	220	**Steuart Investment**/petroleum storing and marketing	600	800	Curtis S Steuart	Washington, DC
156	■	**Triad America**/oil refining & wholesaling, real estate	600e	450	Donald W Fraser	Salt Lake City, UT
157	77	**Triangle Publications**/magazines, newspapers	600	2,500	Walter H Annenberg	Radnor, PA
158	■	•**SCI Holdings**[6]/broadcasting	592	4,800	Terry Lee	Miami, FL
159	■	•**Warnaco**/apparel	591	11,000	Linda J Wachner	Bridgeport, CT
160	■	**Holman Enterprises**/auto dealerships	583	1,872	Joseph S Holman	Pennsauken, NJ

■ Not on last year's list. •Went private via leveraged buyout within last six years. e: estimate. [5] Will be private pending sale by Philip Morris.
[6] Formerly Storer Broadcasting.

The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
161	216	**Mellon Stuart Holding**/gnrl contracting, construction mgmt	$579	1,450	David F Figgins	Pittsburgh, PA
162	217	**Lykes Brothers**[7]/food processing	575e	2,000	Charles P Lykes	Tampa, FL
163	■	•**Oppenheimer & Co**/investment banking and brokerage	575	22,000	Stephen Robert	New York, NY
164	148	**Piggly Wiggly Southern**/grocery stores	570	5,700	Ronald R Frost	Vidalia, GA
165	105	**Andersons**/agribusiness, consumer products	567	1,170	Richard P Anderson	Maumee, OH
166	■	•**Foodmaker**/Jack in the Box restaurants	564	27,000	Jack W Goodall	San Diego, CA
167	152	**Maritz**/motivation progs, bus meetings, mkt research	563	3,200	William E Maritz	Fenton, MO
168	153	**United Van Lines**/moving services	562	800	Rober J Baer	Fenton, MO
169	171	**Builder Marts of America**/wholesaling building materials	555	675	Clarence B Bauknight	Greenville, SC
170	■	**MagneTek**/electronic equipment	555[8]	6,000	Frank Perna Jr	Los Angeles, CA
171	98	•**MacAndrews & Forbes Holdings**/tobacco, movie, film process	552	3,000	Ronald O Perelman	New York, NY
172	69	**Renfield**/liquor and wine importing	552	200	Herman Mernhoff	New York, NY
173	■	•**First American Bankshares**/bank holding	551	4,246	Robert G Stevens	Washington, DC
174	174	•**Harte-Hanks Communications**/broadcasting, publishing	551	11,500	Bob Marbut	San Antonio, TX
175	191	•**Boy's Market**/grocery stores	550	4,000	Peter Supini	Highland Park, CA
176	158	•**Coca-Cola Bottling Co of NY**/soft drink bottling and distrib	550	3,200	Edward F O'Reilly	Greenwich, CT
177	136	**Duchossois Enterprises**/railroad equipment	550e	6,000	Richard L Duchossois	Elmhurst, IL
178	143	•**Guardian Inds**/flat glass	550	5,500	William Davidson	Northville, MI
179	138	**Southwire**/metal fabricating	550	3,500	James C Richards[9]	Carrollton, GA
180	185	**Allied Van Lines**/moving services	547	890	Dennis I Mudd	Chicago, IL
181	142	**Andersen Corp**/building materials	545	2,900	WA Wellman	Bayport, MN
182	■	**Domino's Pizza**/pizza restaurants	539	5,000	Tom S Monaghan	Ann Arbor, MI
183	■	•**Republic Health**/hospitals	539	8,730	James E Buncher	Dallas, TX
184	179	**Young & Rubicam**/advertising	536	10,000	Alexander Kroll	New York, NY
185	386	**Koll**/construction, real estate	535	700	John Koll	Newport Beach, CA
186	214	**Science Applications International**/research and development	533	6,500	Dr JR Beyster	La Jolla, CA
187	■	**Paragon Group**/real estate develop and mgmt	530	1,300	WR Cooper	Dallas, TX
188	■	•**Sybron**/health care equipment	530	7,150	Kenneth F Yontz	Saddle Brook, NJ
189	210	**HCB Contractors**/general construction mgmt	529	1,500	Lawrence A Wilson	Dallas, TX
190	181	**Ingles Markets**/grocery stores, milk processing	528	4,800	Robert P Ingle	Asheville, NC



U-Haul, owned by Nevada-based Amerco, has the nation's biggest fleet of rental trucks.

191	187	**Cardinal Industries**/manufactured housing	527	7,071	Austin Guirlinger	Columbus, OH
192	381	**Irvine Co**/real estate devel and mgmt	525e	1,200	Donald Bren	Newport Beach, CA
193	208	**HB Zachry**/commercial, ind & highway construct	525	8,000	H Bartel Zachry	San Antonio, TX
194	■	**Johnson & Higgins**/ins brkrs, personnel consultants	523	6,710	Robert V Hatcher Jr	New York, NY
195	140	•**Vista Chemical**/chemicals	521	1,500	John D Burns	Houston, TX
196	■	**Snyder General**/climate-control equip	520	4,500	Richard W Snyder	Dallas, TX
197	233	**Racetrac Petroleum**/convenience stores, gasoline	517	1,650	Carl Bolch Jr	Atlanta, GA
198	74	•**Raymond Intl**/engineering and construction	517e	2,400	Henry LeMieux	Houston, TX
199	151	**JM Huber**/energy, rubber, natural resources	516	3,000	Michael W Huber	Edison, NJ
200	110	**AG Spanos Cos**/apt construction and management	515	925	Alex Spanos	Stockton, CA

■ Not on last year's list. •Went private via leveraged buyout within last six years. e: estimate. [7] Sold Lykes Steamship. Lykes Brothers Steamship ranks 363. [8] Includes Universal Mfg and Century Electric. Both acquired 1986. [9] Office of chief executive shared by three individuals.

The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
201	292	**B Green & Co**/food distributing, grocery stores	$510	1,600	Bernard Green	Baltimore, MD
202	199	**Kohler**/plumbing equip, engines & generators	510e	8,000	Herbert V Kohler Jr	Kohler, WI
203	■	**Taubman Investment**/department stores, restaurants	510e	7,570	Alfred Taubman	Bloomfield Hills, MI
204	176	**Battelle Memorial Institute**/research and development	500	7,487	Dr Ronald S Paul	Columbus, OH
205	180	**Brookshire Grocery**/grocery stores	500	2,200	Bruce G Brookshire	Tyler, TX
206	■	**Edward J DeBartolo**/real estate devel and mgmt	500e	11,000	Edward J DeBartolo	Youngstown, OH
207	159	**Grocers Supply Co**/food wholesaling	500e	1,000	Robert Ozmun	Houston, TX
208	211	•**Hyster**/forklift trucks and tractors	500e	5,000	William H Kilkenny	Portland, OR
209	165	**North Pacific Lumber**/forest products	500	360	Leo T Gibbons	Portland, OR
210	192	**Oklahoma Publishing**/publishing, broadcasting	500	4,000	Edward L Gaylord	Oklahoma City, OK
211	198	•**Pamida**/department stores	500	4,500	C Clayton Burkstrand	Omaha, NE
212	207	**Phelps**/commercial construction	500	3,000	Robert G Tointon	Greeley, CO
213	167	**Schwan's Sales Enterprise**/frozen foods	500	5,000	Marvin Schwan	Marshall, MN
214	173	**Superior's Brand Meats**/meatpacking	500	2,500	Neil Genshaft	Massillon, OH
215	230	**WWF Paper**/stationery & writing paper	500	800	Edward V Furlong Jr	Bala Cynwyd, PA

The 400 biggest private companies have sales of $390 billion. The 400 largest public ones, $2.5 trillion.

216	■	**Inland Real Estate**/real estate	495	1,600	Daniel L Goodwin	Oak Brook, IL
217	251	•**Early & Daniel Industries**/food processing	493	225	Samuel M Harrell	Cincinnati, OH
218	■	•**Kane-Miller**/meatpacking	490	1,100	Stanley B Kane	Tarrytown, NY
219	■	**Brenlin Group**/metal fabricating	479	3,600	David Brennan	Akron, OH
220	■	**GSC Enterprises**/food wholesaling	475	900	Michael K McKenzie	Sulphur Springs, TX
221	■	**Westfield Cos**/insurance	475e	1,500	Dale W Smucker	Westfield Center, OH
222	290	**Fidelity Investments**/fund management	470	4,000	Edward C Johnson III	Boston, MA
223	164	•**Marley**/heat transfer equip	470	5,200	Robert J Dineen	Shawnee Mission, KS
224	188	**Nash Phillips/Copus**/home building, land devel, real estate	461	1,080	Clyde Copus	Austin, TX
225	202	**Schwegmann Giant Supermarkets**/grocery stores	460	4,800	John F Schwegmann	New Orleans, LA
226	201	**Swinerton & Walberg**/general contracting	455	1,500	Milo S Gates	San Francisco, CA
227	260	**Youngs Market**/food and liquor wholesaling	451	950	Vernon Underwood Sr	Los Angeles, CA
228	117	**Bartlett Agri Enterprises**/grain, flour, cattle feed	450	575	Paul D Bartlett Jr	Kansas City, MO
229	■	**Bigheart Pipe Line**/petroleum wholesaling	450e	280	Henry Zarrow	Tulsa, OK
230	249	**Chemcentral**/chemical distributing	450	750	HS Wenstrup	Chicago, IL
231	205	**SJ Groves & Sons**/heavy construction	450	5,000	OE Powers	Minneapolis, MN
232	237	**Merchants Distributors**/food wholesaling	450e	985	Boyd George	Hickory, NC
233	193	**Pilgrim Pride**/poultry processing and mktg, feed	450	4,500	Lonnie Pilgrim	Pittsburg, TX
234	■	**Pride Refining**/oil refining and transportation	450	200	James R Morris	Abilene, TX
235	194	**Roseburg Forest Products**/forest products	450	4,000	Kenneth W Ford	Roseburg, OR
236	178	•**UIS**/auto parts	450	6,500	Harold Lebensfeld	New York, NY
237	196	**Walbridge, Aldinger**/commercial contracting	450	1,120	John Rakolta Jr	Livonia, MI
238	197	**Wilbur-Ellis**/distributing farm supplies	450	1,500	CP Thacher	San Francisco, CA
239	379	**Flying J**/integrated petroleum	440	2,000	OJ Call	Brigham City, UT
240	■	**Providence Journal**/newspapers	434	3,500	Michael P Metcalf	Providence, RI

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The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
241	204	**CR Anthony**/department stores	$427	8,000	Robert H Anthony	Oklahoma City, OK
242	■	•**Schottenstein**/department and furniture stores	425e	4,500	Jerome Schottenstein	Columbus, OH
243	228	**Wheaton Inds**/packaging	425e	10,000	Frank H Wheaton	Millville, NJ
244	■	•**Palm Beach**/apparel	419	6,500	Elmer L Ward Jr	Cincinnati, OH
245	■	**Country Companies Group**/insurance	416	2,153	Duane L Miller	Bloomington, IL
246	232	•**AJ Bayless Markets**/grocery stores	410e	3,000	Bruce Krysiak	Phoenix, AZ
247	■	•**Blaw Knox**/industrial equip, engineering	410e	2,500	WD Hunt	Pittsburgh, PA
248	255	**Rosenthal Cos**/auto dealerships	404	1,200	Robert M Rosenthal	Arlington, VA
249	213	**Austin Industries**/heavy construction	400	5,500	William T Solomon	Dallas, TX
250	■	•**Bath Iron Works**[10]/ship bldg and repairing	400	7,500	William E Haggett	Bath, ME
251	122	•**Dan River**/textiles	400	7,000	David W Johnston	Danville, VA
252	■	•**Friona**/meatpacking	400	900	Denis Farley	Dallas, TX
253	160	**Houdaille Industries**/industrial products	400	5,000	Phillip A O'Reilly	Ft Lauderdale, FL
254	■	**McLouth Steel Products**/steel	400	2,300	Milton Deaner	Trenton, MI
255	240	**Microdot**/connecting devices, ingot molds	400e	4,100	Richard P Strubel	Chicago, IL
256	254	**Minyard Food Stores**/grocery stores	400	4,000	MT Minyard	Coppell, TX
257	130	**Parsons & Whittemore**/ind machinery, pulp	400e	2,500	Carl C Landegger	New York, NY
258	■	**Penske**/auto dealerships, racing, parts	400e[11]	1,000	Roger S Penske	Reading, PA
259	195	**Trailways**/bus transport, bus mfg	400	3,500	James L Kerrigan	Dallas, TX
260	229	**World Carpets**/carpets	400	2,000	Shaheen Shaheen	Dalton, GA
261	■	**Southern Farm Bureau Casualty Ins Co**/insurance	396	1,200	John W Head	Jackson, MS
262	183	**CL Peck Contractor**/general construction	386	350	Louis M Stafford	Los Angeles, CA
263	236	**Central Newspapers**/newspapers	384e	5,000	Frank Russell	Indianapolis, IN
264	242	**Asplundh Tree Expert**/tree-trimming for elec utilities	383e	11,330	Edward K Asplundh	Willow Grove, PA
265	268	**Club Corp of America**/sports clubs	380	13,000	Robert H Dedman	Dallas, TX
266	252	**Home Interiors & Gifts**/home furnishings	380	1,400	Donald J Carter	Dallas, TX
267	300	**McWane**/pipe mfg and water treatment	380e	3,675	John McMahon	Birmingham, AL
268	247	**Almac's**/grocery stores	379	774	AW Pike	East Providence, RI
269	■	**Alberici**/commercial construction	375	1,000	Gabriel J Alberici	St Louis, MO
270	271	**C&S Wholesale Grocery**/food wholesaling	375	420	Lester Cohen	Brattleboro, VT

Franchiser Domino's Pizza has sales of but $539 million, although its outlets do more than $1 billion in food.

271	293	**Greenwood Mills**/textiles	375e	6,800	JC Self Jr	Greenwood, SC
272	253	**Hyplains Dressed Beef**/meatpacking	375	275	James Mitchel	Dodge City, KS
273	163	**Ben E Keith**/food and beverage distributing	375e	1,351	Howard Hallam	Fort Worth, TX
274	256	**Sprague Resources**/residential and commercial contracting	375	3,000	Robert M Helsell	Seattle, WA
275	■	**Quicktrip**/convenience stores	370	1,400	Chester Cadieux	Tulsa, OK
276	70	•**ACF Industries**/mfg, leasing RR equip	367	1,500	Carl C Icahn	Earth City, MO
277	272	**Colonial Oil Industries**/wholesaling, retailing petrol prods	367	187	Robert H Demere	Savannah, GA
278	243	**Fred W Albrecht Grocery**/grocery and drugstores	360	3,000	F Steven Albrecht	Akron, OH
279	313	•**American Seaway Foods**/food distributing	360	700	Ralph Garson	Bedford Heights, OH
280	246	**Hughes Markets**/grocery stores	358	5,590	Fred B McLaren	Los Angeles, CA

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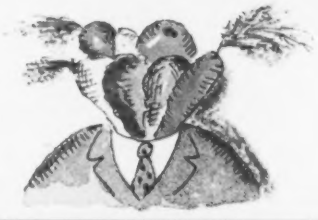
[11] Excludes 50%-owned Hertz-Penske.

The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
281	275	**MA Mortenson**/commercial contractors	$358	850	MA Mortenson Jr	Minneapolis, MN
282	227	**Vanguard Energy**/petroleum products	357	28	C Phillip Trotter	Houston, TX
283	■	**Martin Exploration Management**/petroleum, conv stores	352	684	Carl C Greer	Blue Island, IL
284	■	**Moyer Packing**/meatpacking	351	1,200	Curtis F Moyer	Souderton, PA
285	■	•**Carnival Cruiseline**/vacation cruises	350	3,500	Ted Arison	Miami, FL
286	291	•**Granite Construction**/commercial construction	350	2,500	Richard C Solari	Watsonville, CA
287	■	•**Health-tex**/children's apparel	350	9,000	Robert A Breakstone	New York, NY
288	73	**Hillman Co**/refrig equip, coal, metal fab, real estate	350e[12]	8,700	Henry Hillman	Pittsburgh, PA
289	■	•**J&L Specialty Products**/flat-rolled stainless steel	350	1,100	Claude F Kronk	Pittsburgh, PA
290	■	**JRH**/auto dealerships	350	1,000	JR Hendrick III	Charlotte, NC
291	■	**McKinsey & Co**/consulting	350e	1,046	D Ronald Daniel	New York, NY
292	■	**Media News Group**/newspapers	350e	14,000	William D Singleton	Dallas, TX
293	■	**Northville Industries**/gasoline wholesaling & retailing	350	250	Harold Bernstein	Melville, NY
294	263	**Pantry**/convenience stores	350	3,200	Samuel J Wornom III	Sanford, NC
295	315	**Roger Williams Food**/food distributing	350	500	Scott B Laurans	Providence, RI



58 of the 400 companies here wholesale or retail food.

296	■	**United Coal**/coal mining	350	1,000	James W McGlothlin	Bristol, VA
297	170	**USA Petroleum**/gasoline retailing	350	400	John J Moller	Santa Monica, CA
298	■	**Jervis B Webb**/material handling equipment	350	2,900	Jervis C Webb	Farmington Hills, MI
299	266	**K&B**/drugstores	347e	3,100	Sydney J Besthoff III	New Orleans, LA
300	280	**Encyclopaedia Britannica**/publishing	345	1,042	Robert Gwinn	Chicago, IL
301	149	•**Columbian Enterprises**/chemicals, metal trading	341	1,251	L von Hoffmann	New York, NY
302	221	**Ferrell Cos**/oil	340e	450	James E Ferrell	Liberty, MO
303	276	**3 Beall Brothers 3**/department stores	340	2,800	Royce Beall	Jacksonville, TX
304	■	**Walton Monroe**/textiles	340	4,700	G Stephen Felker	Monroe, GA
305	261	**Journal**/newspapers	339	3,650	Thomas J McCollow	Milwaukee, WI
306	238	•**GNB**/batteries	337	3,000	Stanley N Gaines	Mendota, MN
307	321	•**Formica**/building materials	335	3,600	Gordon D Sterling	Wayne, NJ
308	351	**Hale-Halsell**/grocery stores	335	450	Bob Hawk	Tulsa, OK
309	■	**Harbour Group**/machine tools	335e	3,000	Sam Fox	Clayton, MO
310	239	**HBE**/commercial construction	335e	4,100	Fred F Kummer	St Louis, MO
311	■	•**Budget Rent a Car**/auto rental	332	3,500	Clif Haley	Chicago, IL
312	113	**D'Arcy, Masius, Benton & Bowles**/advertising	330	6,100	John S Bower	New York, NY
313	307	**Taubman Co**/real estate devel and mgmt	330e	400	A Alfred Taubman	Bloomfield Hills, MI
314	■	**Towers, Perrin, Foster & Crosby**/consulting & reinsurance	330	3,300	Quentin I Smith Jr	New York, NY
315	259	**Tang Industries**/metal fabricating & distributing	327e	4,000	Cyrus Tang	Elk Grove Village, IL
316	189	**Aarque Cos**/metal fabricating	325	3,100	R Quintus Anderson	Jamestown, NY
317	■	**Booz, Allen & Hamilton**/consulting	325	2,800	RM McCullough	New York, NY
318	337	**Fareway Stores**/grocery stores	325	800	FW Beckwith	Boone, IA
319	269	**Freedom Newspapers**/publishing, broadcasting	325	4,500	DR Segel	Irvine, CA
320	■	•**Kuscan**/vinyl siding, fiberglass, toys, plastics	325	3,200	Reynold Nebel	Brentwood, TN

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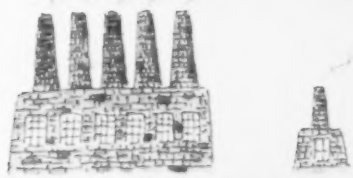
The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
321	■	**Marketing Corp of America**/mktg services, venture capital	$325	1,800	James R McManus	Westport, CT
322	■	**Benjamin Moore & Co**/paint and varnish	325e	1,200	M Workmen	Montvale, NJ
323	225	**RB Pamplin Corp**/textiles, concrete, asphalt	325	6,600	RB Pamplin	Portland, OR
324	304	**Randall Stores**/grocery stores	325	2,700	Ron Randall	Mitchell, SD
325	■	**Rugby Labs**/generic drugs	325e	2,000	Michael Ashkin	Rockville Center, NY
326	■	**Sundt**/residential and commercial construction	322	2,000	H Wilson Sundt	Tucson, AZ
327	248	**Bourns**/precision instruments	320	6,000	Albert R Snider	Riverside, CA
328	■	**Coulter Electronics**/precision instruments	320e	4,000	Wallace H Coulter	Hialeah, FL
329	■	**PMC**/specialty chemicals	320	2,100	Philip Kamins	Sun Valley, CA
330	305	**Ris Paper**/paper distributing	320	575	Thomas Malden	Garden City, NY



About 10,000 companies are public. About 7 million aren't.

331	■	**Tuscan Industries**/dairy products	320e	900	Louis S Caiola	Union, NJ
332	■	**Weil Bros Cotton**/cotton wholesaling	320e	100	James McGhee	Montgomery, AL
333	270	**Rinker Materials**/concrete	318	2,300	Marshall E Rinker Sr	West Palm Beach, FL
334	■	**Investors Management**/Golden Coral and other restaurants	317	14,000	James H Maynard	Raleigh, NC
335	283	**Avtex Fibers**/synthetic fibers for auto and textile inds	315e	3,000	John N Gregg	Valley Forge, PA
336	274	**ER Carpenter**/plastic foams	315	4,500	Stanley F Pauley	Richmond, VA
337	297	**Krasdale Foods**/food distributing	315	525	Charles A Krasne	Bronx, NY
338	338	**McClatchy Newspapers**/newspapers, broadcasting	315	3,500	Charles K McClatchy	Sacramento, CA
339	206	**Moorman Mfg**/livestock and poultry feeds	315e	4,000	RA Liebig	Quincy, IL
340	■	**Brown Brothers Harriman**/commercial and invest banking	310e	1,300	Terrence M Farley	New York, NY
341	231	**Summa**/hotels and casinos	310e	6,100	William R Lumas	Las Vegas, NV
342	265	**Jerseymaid Milk Products**/dairy products	308	550	Benjamin Harrington	Los Angeles, CA
343	312	•**California Home Brands**/food processing	305e	2,800	Robert A Davies III	Terminal Island, CA
344	250	**Copley Newspapers**/newspapers	305	3,400	Helen K Copley	La Jolla, CA
345	339	**LL Bean**/outdoor sporting goods retailing	304	1,775	Leon A Gorman	Freeport, ME
346	317	**Dillard Paper**/wholesaling of paper and plastic prods	301	1,400	John H Dillard	Greensboro, NC
347	234	•**Albany Intl**/equip for papermaking machinery	300	5,000	Frank L McKone	Albany, NY
348	281	**American Cast Iron Pipe**/steel pipe, valves	300	2,600	Paul Green	Birmingham, AL
349	■	**BE&K**/industrial engineering and construction	300	685	TC Kennedy	Birmingham, AL
350	284	**Boyd Group**/hotels & casinos	300	6,500	William S Boyd	Las Vegas, NV
351	288	**Day & Zimmermann**/engineering, consulting	300	10,000	Harold L Yoh Jr	Philadelphia, PA
352	273	**Fiesta Mart**/grocery stores	300	2,500	Donald L Bonham	Houston, TX
353	■	**General Automotive**/bus manufacturing & refurbishing	300	1,525	Cruse W Moss	Ann Arbor, MI
354	349	**Gordon Food Service**/food distributing	300	875	Paul B Gordon	Grand Rapids, MI
355	352	**Haworth**/office furniture	300	2,200	GW Haworth	Holland, MI
356	295	**Roy M Huffington**/oil and gas in Indonesia	300	3,200	Roy M Huffington	Houston, TX
357	296	**ICC Industries**/chemicals	300	1,600	John Farber	New York, NY
358	380	**Inductotherm Inds**/industrial equipment	300	4,000	Henry Rowan	Rancocas, NJ
359	■	**Inserra Supermarkets**/grocery stores	300	2,000	Lawrence R Inserra	Mahwah, NJ
360	■	**Jockey International**/men's underwear	300	3,200	Donna W Steigerwaldt	Kenosha, WI

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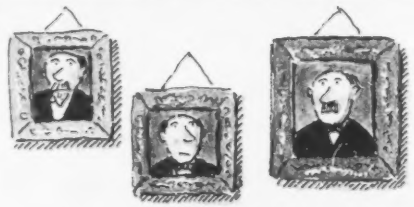
The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
361	298	**Lamb Technicon**/automation equip	$300	1,300	Jonathan P Rye	Warren, MI
362	■	**Landmark Communications**/publishing, broadcasting	300	4,000	Richard F Barry	Norfolk, VA
363	■	**Lykes Brothers Steamship**/ocean freight transport	300	1,000	WJ Amoss Jr	New Orleans, LA
364	■	**Philadelphia Hide Brokerage**/grain trading	300	100	Michael Halpert	Philadelphia, PA
365	303	**Pickens-Bond Construction**/commercial construction	300	1,000	G Larry Kelley	Little Rock, AR
366	306	**Stowe Mills**/yarn	300	3,800	JM Carstarphen	McAdenville, NC
367	309	**Vitt Media International**/media buying for advertisers	300	117	Roy Muro	New York, NY
368	■	•**Wilson Sporting Goods**/mfg sporting goods	300	4,500	John P Murray Jr	River Grove, IL
369	■	**Worldmark**/building materials	300	1,000	Dean Rhoads	No Palm Beach, FL
370	■	**Oliver Carr Co**/real estate devel and mgt	299	400	Oliver Carr	Washington, DC
371	368	**HC Prange**/department, discount & specialty stores	298	5,500	Henry C Prange	Sheboygan, WI
372	336	**Wawa**/convenience stores	295	1,000	Richard Wood Jr	Wawa, PA
373	393	**Continental Cablevision**/cable broadcasting	295	3,000	Amos B Hostetter Jr	Boston, MA
374	■	**Haggar**/men's and women's apparel	295e	6,500	JM Haggar Jr	Dallas, TX
375	324	•**Spalding & Evenflo**/sporting goods, baby prods	295	2,800	Donald J Byrnes	Tampa, FL
376	■	**Associated Materials**/building materials	292	2,100	William Winspear	Dallas, TX
377	302	•**Otasco**/auto parts stores	290	3,250	Jerry L Goodman	Tulsa, OK
378	345	**Exide**/batteries	290	2,400	Arthur Hawkins	Horsham, PA
379	319	**Jupiter Industries**/transportation svcs, natl gas, and const	290e	3,000	Edward Ross	Chicago, IL
380	331	•**Ti-Caro**/textiles	290	5,100	James C Fry	Gastonia, NC



64 of these 400 companies are owned by individuals or families appearing on this year's FORBES list of the 400 richest Americans.

381	■	**Automanage**/auto dealerships	290	947	Michael L Dever	Cincinnati, OH
382	328	•**Atalanta**/importing meats, cheese and other foods	289	200	George Gellert	New York, NY
383	■	**Guilford Transportation**/railroad and trucking	289	2,500	David Fink	North Billerica, MA
384	■	**Western Petroleum**/petroleum wholesaling	289	30	James W Eminson	Minneapolis, MN
385	■	•**Joyce International**/office furniture and supplies	286	4,000	David Gardner	Great Neck, NY
386	■	**Donrey Media Group**/publishing, broadcasting	285	4,200	Donald W Reynolds	Fort Smith, AR
387	■	**Humiston-Keeling**/drug distributing	285	246	Burton H Olin	Chicago, IL
388	326	**Consumers Markets**/grocery stores	284	2,000	Clarence Wheeler	Springfield, MO
389	■	**Morris Communications**/newspapers, computer svcs	284	3,050	William S Morris III	Augusta, GA
390	323	**Rodgers Co**/general contracting	284	1,200	James P Bennett	Nashville, TN
391	320	•**American Sterilizer**/health care equipment	280	3,800	HE Fish	Erie, PA
392	■	**Bright Banks Savings Assoc**/savings & loan	280	3,000	James B Reeder	Dallas, TX
393	334	**Calvin Klein**/apparel	280e	5,500	Joel Newman	New York, NY
394	370	**James Ferrera & Sons**/grocery stores	280	900	Harold H Ferrera	Canton, MA
395	■	**Fletcher Oil & Refining**/petroleum refining	280	145	Bob Fletcher	Wilmington, CA
396	■	•**Glosser Brothers**/discount stores, grocery stores	280	3,200	Alvin M Glosser	Johnstown, PA
397	316	**Dayton-Walther**/auto parts, building materials	279	2,915	Daniel Walther	Dayton, OH
398	262	•**American Brass**/copper	278	2,000	J Goodell	Buffalo, NY
399	■	**Bob Frink Management**/auto dealerships	276	500	Bob Frink	Sacramento, CA
400	384	**Menasha**/packaging, plastics, paper products	276	2,300	DC Sheppard	Neenah, WI

■Not on last year's list. •Went private via leveraged buyout within last six years. e: estimate.

The Largest Private Companies in the U.S.

This alphabetical listing shows the relative sales ranking of the 400 largest private companies in the U.S. The numerical ranking begins on page 193. For an explanation of rules, definitions and sources, see box on page 192.

Company	Rank	Company	Rank	Company	Rank
Aarque Cos	316	Barton-Malow	121	Colonial Oil Industries	277
ACF Industries	276	Bath Iron Works	250	Columbian Enterprises	301
Advance Publications	27	Battelle Memorial Institute	204	Cone Mills	129
Albany Intl	347	AJ Bayless Markets	246	Connell Rice & Sugar	67
Alberici	269	BE&K	349	Consumers Markets	388
Fred W Albrecht Grocery	278	LL Bean	345	Continental Cablevision	373
Allegheny Ludlum	126	Beatrice	4	Continental Grain	3
Allied Van Lines	180	Bechtel Group	8	Coopers & Lybrand	50
Almac's	268	Belk Brothers	40	Copley Newspapers	344
Amcena	146	Bigheart Pipe Line	229	Coulter Electronics	328
Amerco	106	Blaw Knox	247	Country Companies Group	245
American Brass	398	Booz, Allen & Hamilton	317	Cox Enterprises	46
American Cast Iron Pipe	348	Bourns	327	Crowley Maritime	151
American Financial	22	Boyd Group	350	Cumberland Farms	73
American Seaway Foods	279	Boy's Market	175	Dan River	251
American Sterilizer	391	Brenlin Group	219	D'Arcy, Masius, Benton & Bowles	312
Amstar Holdings	53	Bright Banks Savings Assoc	392	Day & Zimmermann	351
Amsted Industries	128	Brookshire Grocery	205	Dayton-Walther	397
Amway	96	Brown Brothers Harriman	340	Edward J DeBartolo	206
Andersen Corp	181	Budget Rent a Car	311	Delaware North	98
Arthur Andersen & Co	39	Builder Marts of America	169	Deloitte Haskins & Sells	70
Andersons	165	HE Butt Grocery	32	Demoulas Super Markets	92
Anschutz	71	C&S Wholesale Grocery	270	Denny's	51
CR Anthony	241	California Home Brands	343	Dillard Paper	346
Apex Oil	5	Calvin Klein	393	Dillingham	41
ARA Services	14	Cardinal Industries	191	Dominick's Finer Foods	37
Arcata	149	Cargill	1	Domino's Pizza	182
Asplundh Tree Expert	264	Carlson Cos	17	Donrey Media Group	386
Associated Materials	376	Carnival Cruiseline	285	Drexel Burnham Lambert	23
Associated Metals & Minerals	150	ER Carpenter	336	Louis Dreyfus	11
Atalanta	382	Oliver Carr Co	370	Drummond	143
Atlantic Refining & Marketing	97	Central Newspapers	263	Dubuque Packing	144
Austin Industries	249	Chemcentral	230	Duchossois Enterprises	177
Automanage	381	Chilewich Sons	72	Dunavant Enterprises	74
Avis	87	Clark Construction Group	127	E-Z Serve	125
Avondale Industries	66	Club Corp of America	265	Early & Daniel Industries	217
Avtex Fibers	335	Coca-Cola Bottling Co of NY	176	Jack Eckerd	21
Bartlett Agri Enterprises	228	Cole National	107	Edgcomb	152

The Largest Private Companies in the U.S.

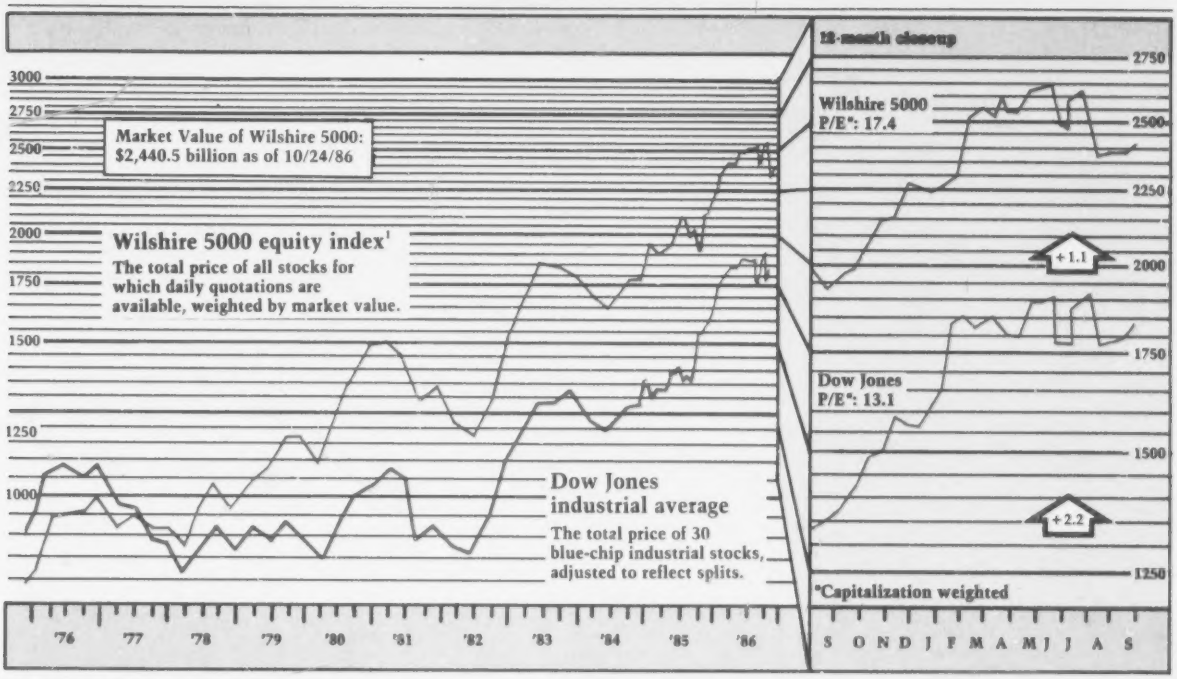
Company	Rank	Company	Rank	Company	Rank
Eighty Four Lumber	148	Guardian Inds	179	[illegible]	[illegible]
Encyclopaedia Britannica	300	Guilford Transportation	263	[illegible]	[illegible]
Ernst & Whinney	64	Gulf States Toyota	118	[illegible]	[illegible]
Esprit de Corp	99	H Group Holdings	81	[illegible]	[illegible]
Estée Lauder	57	Haggar	274	[illegible]	[illegible]
Exide	378	Hale-Halsell	308	[illegible]	[illegible]
Fareway Stores	318	Hallmark Cards	35	[illegible]	[illegible]
Farley Industries	28	Harbour Group Ltd	109	[illegible]	[illegible]
Ferrera & Sons	394	Harte-Hanks Communications	179	[illegible]	[illegible]
Ferrell Companies	302	Hartz Mountain	158	[illegible]	[illegible]
Fidelity Investments	222	Haworth	193	[illegible]	[illegible]
Fiesta Mart	352	HBE	213	[illegible]	[illegible]
Finevest Services	75	HCB Contractors	169	[illegible]	[illegible]
First American Bankshares	173	Health-tex	287	[illegible]	[illegible]
First Brands	91	Hearst Publications	63	[illegible]	[illegible]
First National Supermarkets	42	Helmsley-Spear	76	[illegible]	[illegible]
First Petroleum	84	Hillman Co	288	[illegible]	[illegible]
First Texas Financial of Delaware	100	Holman Enterprises	182	[illegible]	[illegible]
Fletcher Oil & Refining	395	Home Interiors & Gifts	266	[illegible]	[illegible]
Flying J	239	Homeland Industries	134	[illegible]	[illegible]
Foodmaker	166	Hondaille Industries	253	[illegible]	[illegible]
Formica	327	JM Huber	149	[illegible]	[illegible]
Frank Consol Enterprises	68	Roy M Huffington	156	[illegible]	[illegible]
Freedom Newspapers	319	Hughes Markets	280	[illegible]	[illegible]
Bob Frink Management	399	Humason-Keeling	387	[illegible]	[illegible]
Frisma	252	Hunt Corp	89	[illegible]	[illegible]
Furrs	58	Hy-Vee Food Stores	56	[illegible]	[illegible]
E&J Gallo Winery	113	Hyglaine Dressed Beef	272	[illegible]	[illegible]
Gates	111	Hyster	208	[illegible]	[illegible]
Gateway Foods	59	ICC Industries	167	[illegible]	[illegible]
General Automotive	353	Industrotherm Inds	358	[illegible]	[illegible]
General Felt Industries	29	Ingles Markets	140	[illegible]	[illegible]
Giant Eagle	47	Ingram Inds	68	[illegible]	[illegible]
Gilbane Building	62	Inland Real Estate	216	[illegible]	[illegible]
Gillett Group	130	Insetta Supermarkets	359	[illegible]	[illegible]
Glosser Brothers	306	Investors Management	326	[illegible]	[illegible]
GNB	306	Irvine Co	192	[illegible]	[illegible]
Golden State Foods	110	J&L Specialty Products	289	[illegible]	[illegible]
Goldman, Sachs & Co	13	Jerseymaid Milk Products	342	[illegible]	[illegible]
Golub	123	Jockey International	160	[illegible]	[illegible]
Gordon Food Service	354	Johnson & Higgins	166	[illegible]	[illegible]
Granite Construction	280	A Johnson & Co	120	[illegible]	[illegible]
Graybar Electric	38	SC Johnson & Son	31	[illegible]	[illegible]
B Green & Co	201	Jostal	355	[illegible]	[illegible]
Greenwood Mills	271	Joyce International	303	[illegible]	[illegible]
Grocers Supply Co	207	JUH	290	[illegible]	[illegible]
SJ Groves & Sons	221	Jupiter Industries	179	[illegible]	[illegible]
GSC Enterprises	220			[illegible]	[illegible]

The Largest Private Companies in the U.S.

Company	Rank	Company	Rank	Company	Rank
MA Mortenson	281	Ris Paper	330	Ti-Caro	380
Moyer Packing	284	Rock Island Refining	145	Ticor Insurance	147
Nash Phillips/Copus	224	Roger Williams Food	295	Touche Ross & Co	83
National Gypsum	52	Rodgers Co	390	Towers, Perrin, Foster & Crosby	314
NES	122	Roseburg Forest Products	235	Trailways	259
North Pacific Lumber	209	Rosenthal Cos	248	Trammell Crow	78
Northville Industries	293	Rugby Labs	325	Transammonia	117
Oklahoma Publishing	210	Sammons Enterprises	63	Triad America	156
Oppenheimer & Co	163	Schnuck Markets	115	Triangle Publications	157
Orasco	377	Schottenstein	242	Trump Organization	79
Pace Industries	26	Schreiber Foods	95	Tuscan Industries	331
Palm Beach	244	Schwan's Sales Enterprise	213	UIS	236
Pamida	211	Schwegmann Giant Supermarkets	225	Union Holdings	80
RB Pamplin Corp	323	SCI Holdings	158	United Coal	296
Pantry	294	Science Applications International	186	United Parcel Service	6
Paragon Group	187	SCOA Industries	56	United Van Lines	168
Parsons & Whittemore	257	Scoular	132	US Plywood	85
Parsons Corp	109	Scripps-Howard	90	USA Petroleum	297
Peat, Marwick, Mitchell & Co	36	Seven-Up	136	Valleydale Packers	81
CL Peck Contractor	262	JR Simplot	60	Vanguard Energy	282
Penske	258	Simpson Timber	116	Vantage Cos	84
Perdue Farms	93	Smith Barney, Harris Upham & Co	105	Vista Chemical	195
Phelps	212	Snyder General	196	Vitt Media International	367
Philadelphia Hide Brokerage	364	Southern Farm Bureau Casualty Ins Co	261	Walbridge, Aldinger	237
Pickens-Bond Construction	365	Southwire	179	Walton Monroe	304
PIE* Nationwide	135	Spalding & Evenflo	375	Warnaco	159
Piggly Wiggly Southern	164	AG Spanos Cos	200	Warren Equities	137
Pilgrim Pride	233	Sprague Resources	274	George E Warren	18
PMC	329	Steelcase	49	Wawa	372
Potamkin Cadillac	94	Stephens	134	Jervis B Webb	298
HC Prange	371	Steuart Investment	155	Wegmans Food Markets	103
Price Waterhouse	141	Stevedoring Group of Am	44	Weil Bros Cotton	332
Pride Refining	234	Stowe Mills	366	Weirton Steel	65
Providence Journal	240	Stroh Brewery	45	Western Auto	133
Publix Supermarkets	15	Summa	341	Western Petroleum	384
Quiktrip	275	Sundt	326	Westfield Cos	221
Racetrac Petroleum	197	Superior's Brand Meats	214	Wheaton Inds	243
Raley's	101	Sweet Life Foods	82	Wilbur-Ellis	238
Randall Stores	324	Swift Independent Holdings	12	Wilson Sporting Goods	368
Randall's Food Markets	139	Swinerton & Walberg	226	World Carpets	260
Rapid-American	33	Sybron	188	Worldmark Corp	369
Raymond Intl	198	Tang Industries	315	Worldwide Volkswagen	140
Readers Digest Association	48	Tauber Oil	86	WWF Paper	215
Red Owl Holdings	102	Taubman Co	313	Wyatt	104
Rentfield	172	Taubman Investment	203	Young & Rubicam	184
Republic Health	183	3 Beall Brothers 3	303	Arthur Young	61
Rich Products	138	Thrifty Oil	124	Youngs Market	227
Rinker Materials	333			HB Zachry	193

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



The Dow beat the market 2-to-1. But that was primarily because one Dow stock, Goodyear Tire & Rubber, jumped 8½ points in two weeks. Goodyear, which diversified into energy with the purchase of Celeron in 1983, was getting attention as a takeover candidate. Responding to this, it announced that it might restructure.

Dow Jones stocks Du Pont, Kodak, General Motors and Texaco had more modest two-week gains. Those advances coupled with the 24.3% increase in Goodyear pushed the equally weighted 30-stock Dow average to a 2.2% two-week gain. The capitalization-weighted NYSE, however, increased only 1.2%. And the cap-weighted Wilshire index of 5,800 stocks rose only 1.1%.

What about small companies? The Nasdaq posted a more modest two-week gain of 0.9%. But Amex shares ran counter to the market and fell 0.9%. For the last 52 weeks Amex-listed issues are up only 15.7%, compared with gains of 26.7% for NYSE and 23.2% for Nasdaq stocks.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	2.3	2.2	3.5	2.5	0.1	1.4
in last 52 weeks	25.8	22.2	35.1	26.7	15.7	23.2

Stock performance based on six key investor yardsticks

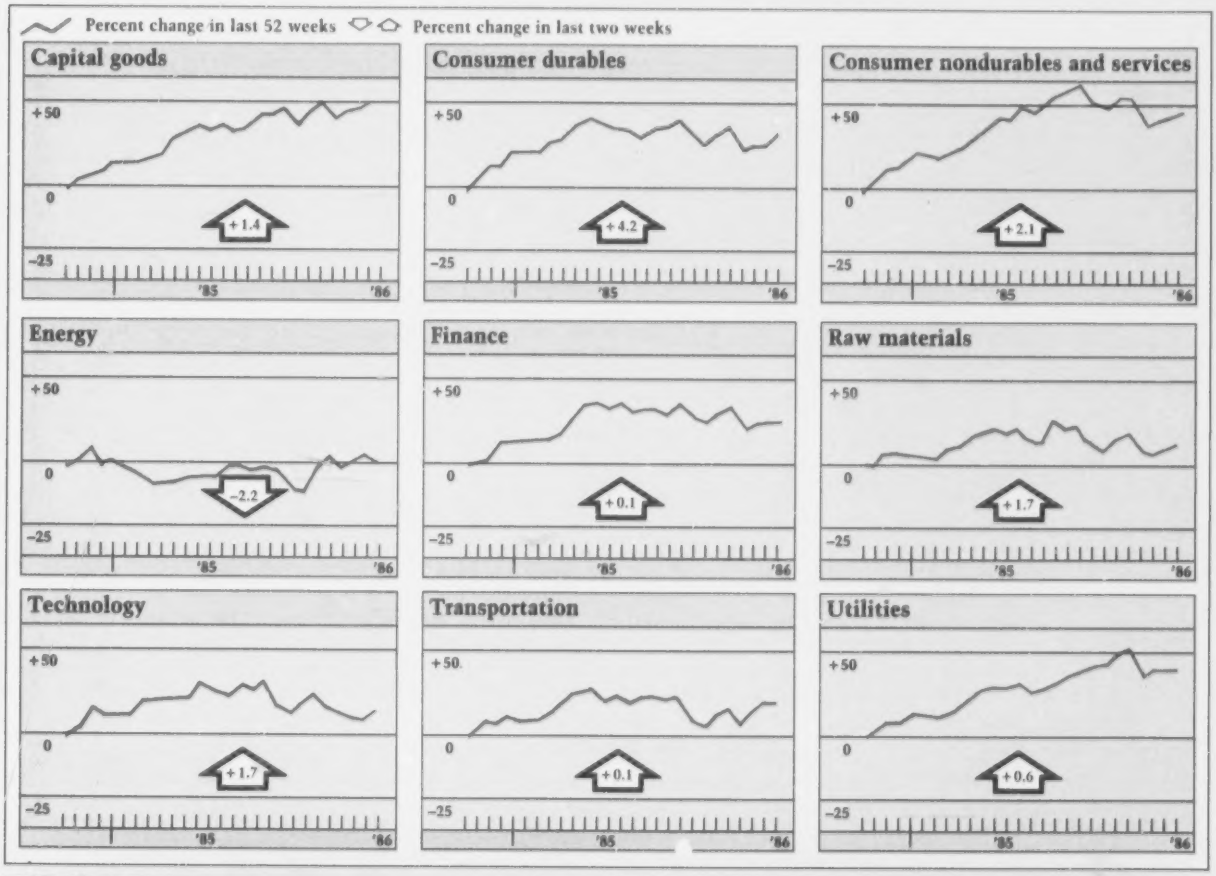
Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	3.2	3.3	4.8	1.6	2.7	1.6	1.0	1.6	3.3	2.3	2.5	1.0
in last 52 weeks	30.3	42.7	62.5	32.3	22.0	35.7	25.5	40.9	52.6	38.6	37.6	27.7

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 10/24/86. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Energy takes a breather. While investors were pushing up prices in eight of the nine Wilshire sectors, they had second thoughts about energy. During the two weeks ended Oct. 24 the average energy stock fell 2.2%. The biggest percentage declines were not in the major oil stocks but in smaller issues, such as Santa Fe Energy Partners, American Petrofina and Helmerich & Payne. Thanks to the sharp decline in oil prices during the first half of the year, this sector shows the poorest 52-week performance. Energy stocks are up only 0.7%, compared with 39% for consumer nondurables, the best group. But the tables have turned since the end of June: Energy is the only sector that has advanced (5.6%), while consumer nondurables suffered the sharpest loss, a decline of 11.5%.



What The Analysts Think

Utilities up, rails down. During the last two weeks analysts raised 1986 estimates for two sectors, capital goods and utilities. In the capital goods sector, estimates for heavy-equipment makers American Hoist & Derrick and Becor Western were raised significantly. But forecasts for transportation stocks were cut by 6.6%.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.70	16.0
1986 estimates	3.22	13.4
1987 estimates	3.86	11.2

Rank based on change in estimate	Sector	Estimated 1986 EPS	Estimated 1986 P/E	% change in 1986 estimate in 2 weeks	% change in 1986 estimate in 4 weeks
1	Capital goods	$2.28	16.5	0.23%	-0.98%
2	Utilities	3.26	10.4	0.09	0.00
3	Consumer nondurables	2.05	16.4	-0.59	-0.82
4	Finance	3.19	10.9	-0.61	-1.31
5	Energy	2.04	15.6	-0.80	-1.64
6	Consumer durables	3.78	11.2	-0.83	-1.62
7	Raw materials	1.83	17.4	-1.06	-2.31
8	Technology	2.50	14.5	-2.31	-2.95
9	Transportation	1.33	21.1	-6.63	-9.69

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 10/24/86. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

The Forbes/TUCS Institutional Portfolio Report

Edited by Steve Kichen

THE THIRD quarter was a difficult one for investors. The total return (including dividends) of the Wilshire index of 5,800 securities was a minus 7.7%. And how did professional equity managers do? They did worse, losing an average 8.7% of their clients' money (not counting fees charged for losing the money). In the rousing first quarter, by contrast, the pros looked smart. The market was up 14.4%, but institutional money was up a median 15.6%. The pros are fair-weather performers, it seems. They often outdo the averages in bull markets and underperform in bear markets.

These revelations come courtesy of Wilshire Associates' Trust Universe Comparison Service (TUCS), a survey of some 1,000 pension funds whose combined assets constitute about a fourth of the country's $1.6 trillion total pension assets.

It's not easy, of course, for the average pro to beat the market by a wide margin—or do much worse, either. That's because institutions make up more than 65% of the market's $2.4 trillion capitalization.

There were some winners in the losing third quarter. Portfolio managers who de-emphasized common stocks and bought bonds and money market funds had a better chance of coming out ahead. Fixed-income investments posted a median total return of 2.2%, vs. 2% for the Shearson Lehman bond index.

The table at right, "Segment performance and cash flows," shows where the institutions were placing their bets. (These figures are adjusted to remove the effect of changing security prices. If, for example, stocks are off 10%, then a 10% decline in an equity portfolio is reported as no shift of funds.) The managers did shift funds intelligently, moving 1.3% out of stocks in the last quarter and moving a like amount into bonds.

One striking fact: Institutions increased their cash hoards by 9.9%. This cash, of course, could go back into common stocks if portfolio managers become more optimistic about the prospects for the economy. The other significant change is that institutions added money (1%) to their pension funds, after seven quarters of drawing cash out of the funds *(see story, p. 94)*. Not too surprisingly, stocks that were less volatile than the market held up better during the third-quarter decline. See table below comparing returns with risk levels.

How different managers performed

Manager style	Total return: recent quarter	12 months	24 months[3]
Diversified	–5.3%	30.2%	22.9%
Growth	–10.3	30.3	21.0
Growth—emerging	–12.0	26.5	21.1
Market timer	–6.7	26.2	19.8
Sector rotator	–7.9	30.1	22.3
Value	–3.9	30.8	22.4

Where the institutions put their money

Segment	—Portfolio weighting— most recent quarter	previous quarter
Equity	54.2%	57.7%
Fixed income	33.0	30.9
Cash and equivalents	9.5	8.0
Convertibles	0.8	0.8
Other[1]	2.5	2.6

Equity portfolio characteristics

	Institutional portfolios	Wilshire 5000
Price/earnings ratio	16.9	15.6
Dividend yield	2.9%	3.3%
Beta[2]	1.02	1.06
Price/sales	1.03	1.02
Price/book	2.56	2.21

Segment performance and cash flows

Segment	—Most recent quarter— median total return	shift in institutional holdings	——Latest 12 months—— median total return	shift in institutional holdings
Equity	–7.5%	–1.3%	32.0%	–8.1%
Fixed income	2.2	1.3	19.1	0.3
Cash equiv	1.6	9.9	7.6	–11.9
Convertibles	–2.4	–2.2	22.3	–26.6
Other[1]	2.5	–4.3	13.4	–8.6
Total	–2.9	1.0	27.7	–4.1

Position changes: These securities had the greatest relative change in holdings over the last quarter

Security	Increase in holdings	Total quarter return	Security	Decrease in holdings	Total quarter return
Philip Morris	4.8%	–10.5%	SmithKline Beck	–1.7%	–18.9%
Amoco	4.5	9.2	McDonald's	–1.6	–22.4
Chevron	4.4	16.4	General Electric	–1.5	–10.6
Coca-Cola	1.8	–18.5	Dart & Kraft	–1.5	–14.2
NWA	1.6	3.5	Amer Home Prods	–1.2	–17.9
Emerson Electric	1.3	–6.7	Citicorp	–1.1	–15.2
Burroughs	1.3	15.0	PepsiCo	–1.1	–21.1
USG	1.3	–0.5	Corning Glass	–1.1	–33.7
May Dept Stores	1.3	–18.9	Wal-Mart Stores	–1.1	–19.0
Exxon	1.2	12.1	American Express	–1.1	–9.4

[1]Real estate, foreign investments, venture capital, guaranteed insurance contracts. [2]A measure of risk. A stock with a beta of 1.00 tends to move up or down at the same rate as the S&P's 500. [3]Figures for 24 months are annualized.

Note: Data for quarter ending 9/30/86. Prepared by the Trust Universe Comparison Service (TUCS®), a service of Wilshire Associates, Santa Monica, Calif.

Where the institutions are—and aren't

Most overweighted relative to Wilshire 5000			Most underweighted relative to Wilshire 5000		
	% of			% of	
Security	institutional universe	Wilshire 5000	Security	institutional universe	Wilshire 5000
Digital Equipment	1.1%	0.4%	Exxon	0.7%	2.3%
Philip Morris	1.0	0.5	IBM	2.8	4.4
General Re	0.6	0.2	AT&T	0.3	1.3
ITT	0.5	0.3	British Petroleum	0.1	0.8
Goodyear Tire & Rubber	0.4	0.2	Amoco	0.4	1.0
American Express	0.8	0.6	Shell Trans & Trading	0.1	0.6
AMR	0.4	0.1	Royal Dutch Pet	0.5	1.0
Squibb	0.4	0.2	General Electric	1.1	1.5
K mart	0.4	0.2	General Motors	0.8	1.2
American Intl Group	0.6	0.4	Allied-Signal	0.1	0.4

The institutions increased their holdings of three big oil companies: Amoco, Chevron and Exxon. As a group, however, energy stocks fell from 9.5% to 9.1% of the institutional portfolio during the third quarter. Portfolio managers also reduced their holdings of consumer nondurable issues by selling off the likes of SmithKline Beckman, McDonald's and Dart & Kraft. But that still leaves consumer nondurables at a hefty 28.7% of the typical pension stock portfolio. What were the institutions buying last quarter? Consumer durables, raw materials and technology. Holdings of Philip Morris Cos., an institutional favorite, increased another 4.8%.

Sector activity and top holdings

% of institutional portfolio: ■ most recent quarter ■ previous quarter

Capital goods	4.9% 5.1%	Consumer durables	5.2% 4.7%	Consumer nondurables	28.7% 29.2%
	total return		total return		total return
General Electric	–10.6%	General Motors	11.2%	Merck	5.3%
Emerson Electric	6.7	Ford Motor	–2.9	Eastman Kodak	–8.2
Westinghouse Electric	–1.5	Goodyear Tire & Rubber	7.0	Sears, Roebuck & Co	16.7
Caterpillar Tractor	23.7	Chrysler	–4.7	Wal-Mart Stores	19.0
Cooper Indus	0.4	Whirlpool	–23.1	Johnson & Johnson	–11.4
Energy	9.1% 9.5%	Finance	12.6% 12.7%	Raw materials	12.6% 12.4%
	total return		total return		total return
Exxon	12.1%	American Express	–9.4%	El du Pont de Nemours	–2.8%
Royal Dutch Petroleum	13.0	General Re	–8.0	Allied-Signal	–8.4
Mobil	20.8	American Intl Group	–4.3	Dow Chemical	–5.7
Atlantic Richfield	13.2	Aetna Life & Casualty	–4.3	Monsanto	–8.0
Texaco	12.3	Citicorp	–15.2	Waste Management	–3.2
Technology	15.7% 15.2%	Transportation	4.2% 4.0%	Utilities	7.0% 7.2%
	total return		total return		total return
IBM	–7.4%	AMR	2.9%	Pacific Telesis Group	–4.0%
Digital Equipment	4.8	UAL	4.4	GTE	–0.9
ITT	–10.1	Norfolk Southern	–9.1	Southwestern Bell	–1.7
Boeing	–14.8	CSX	–15.2	Nynex	–6.9
Minnesota Mng & Mfg	–10.8	Union Pacific	0.5	American Info Tech	–2.4

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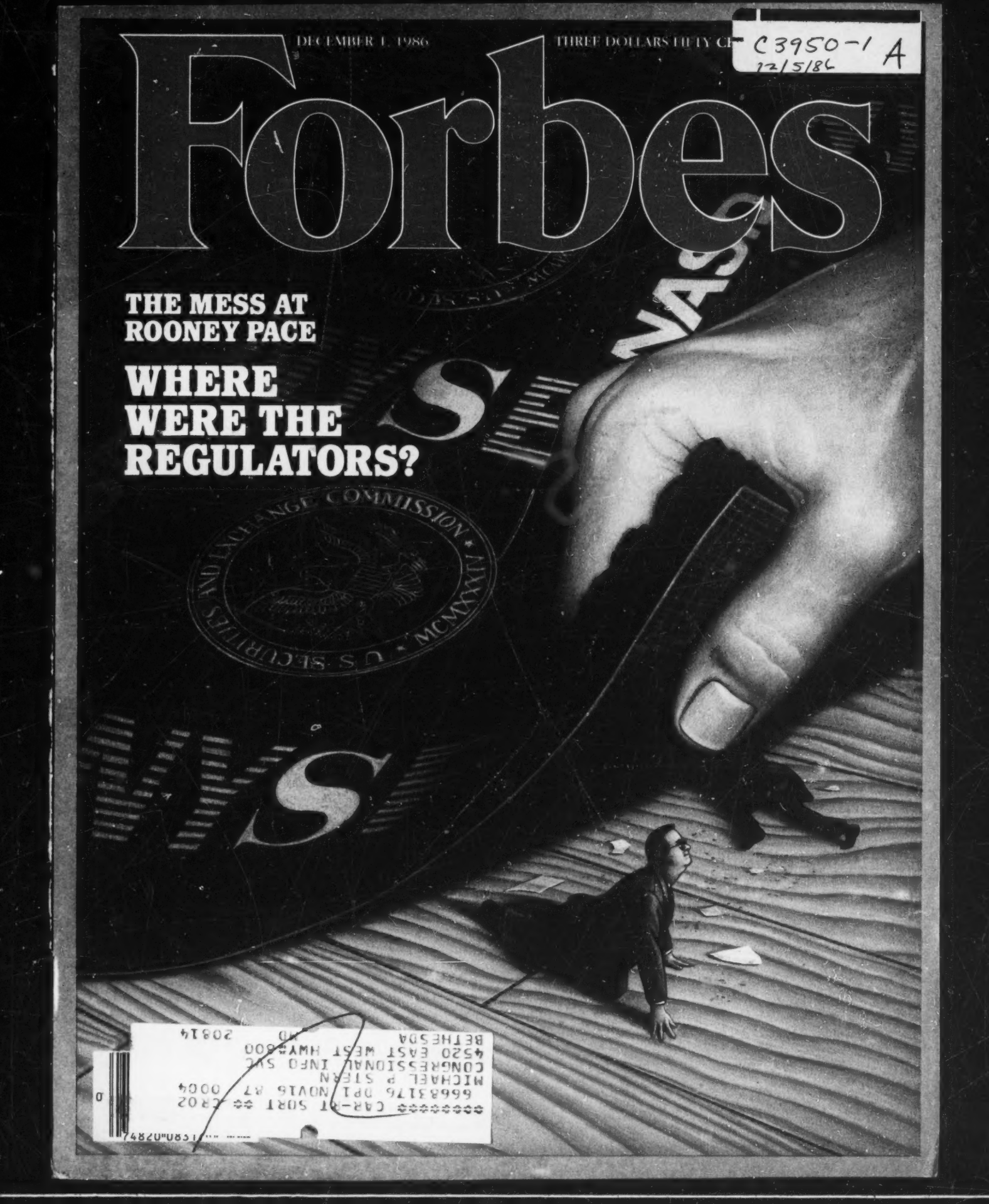
DECEMBER 1, 1986 THREE DOLLARS FIFTY CE

Forbes

THE MESS AT ROONEY PACE

WHERE WERE THE REGULATORS?



MICHAEL P STERN
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Forbes

DECEMBER 1, 1986
VOLUME 138
NUMBER 12

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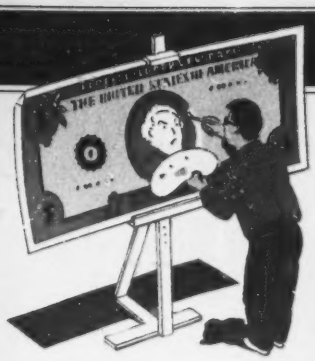

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December 1, 1986 Volume 138 Number 12 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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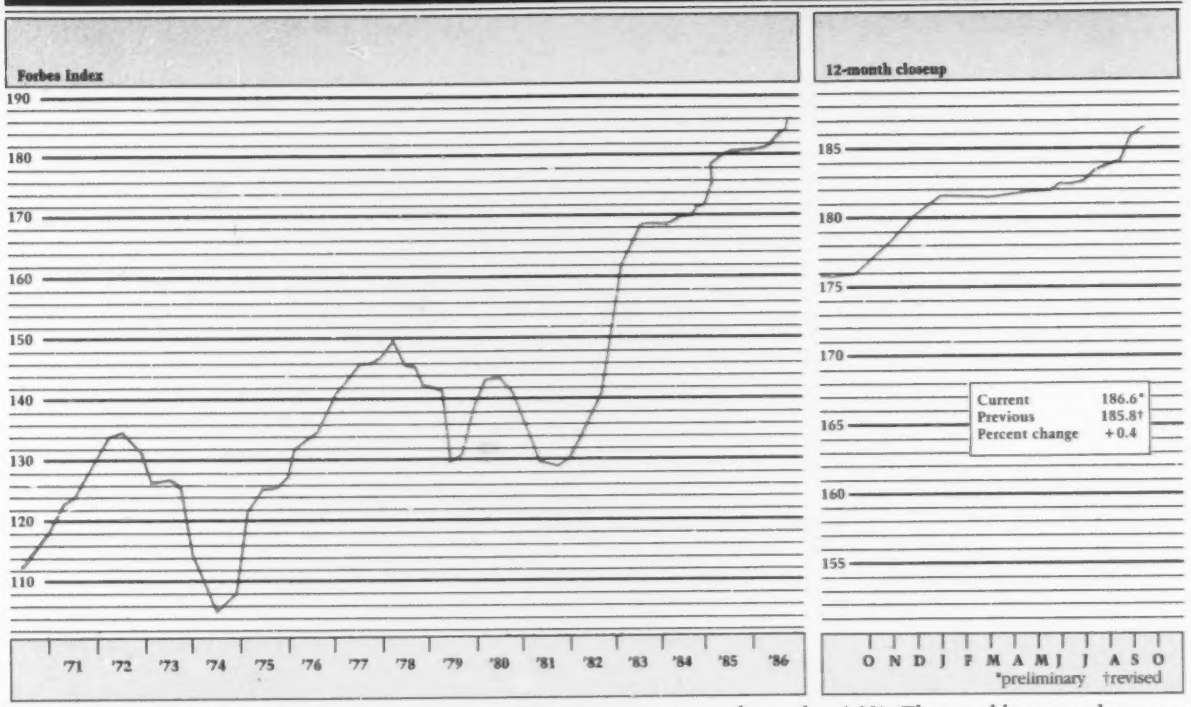
The Forbes Index

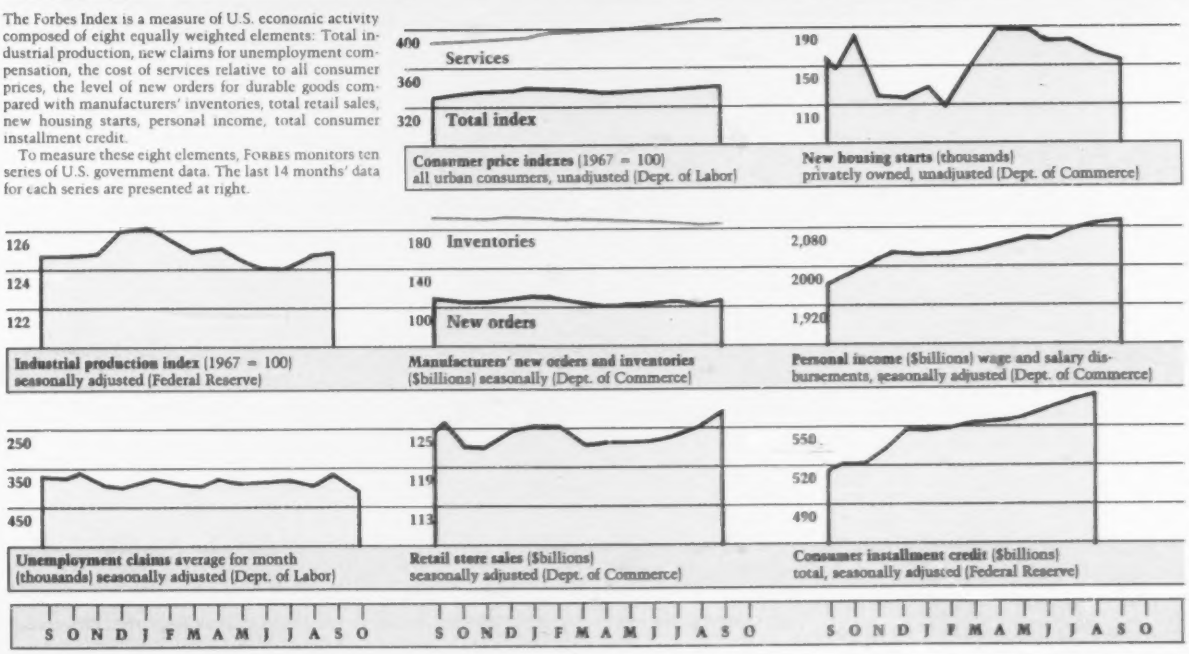


Will there be more jobs? The Forbes Index rose 0.4% in the latest reporting period. Manufacturers' new orders show a healthy 5% gain over the previous month, while inventories rose less than 0.1%. But new unemployment claims were up 12.9% from September to October. New jobs are being created only as fast as old ones are lost, but the work force rises. The overall unemployment level remains unchanged at 6.9%. That could worsen, however, by next year. General Motors recently announced plans to close nearly a dozen plants, and other closings are expected. Some of the employment slack in the manufacturing sector may be filled by Japanese-owned auto plants that will soon be operating in the U.S. But if the service sector can't fill the gap, unemployment levels will rise.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

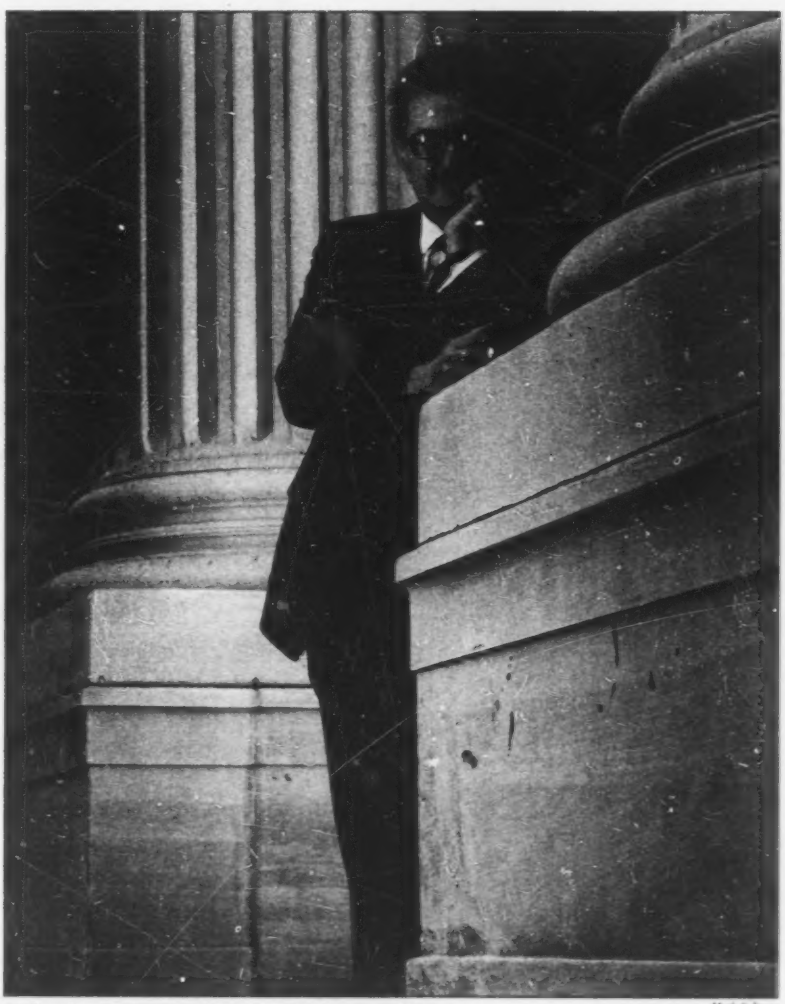
To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



If President Reagan cuts a decent arms deal with Mikhail Gorbachev, it won't be because the Soviets have reformed but because they're worried and can no longer ignore their sickly economy.

The legacy of Stalin—

A chat with Seweryn Bialer



Mark Seliger

Columbia University Sovietologist Seweryn Bialer
"The Soviet system does not fit the third industrial revolution."

By Lawrence Minard and Peter Brimelow

THE RULERS of the Soviet Union genuinely want a halt in the arms race because they are impressed by U.S. technological advance and by the progress in rebuilding our military strength. The Soviets are today more nervous than ever at the prospect of falling hopelessly behind. So says Seweryn Bialer. Columbia University's renowned Sovietologist.

Raised in Berlin, Bialer, now 60, taught economics at the University of Warsaw until 1955, when he emigrated to the U.S. In his books, most recently *The Soviet Paradox: External Expansion, Internal Decline* (Knopf, $22.95), he writes with the knowledge of someone who has lived beneath the Communist yoke.

No, there are no fundamental changes currently under way in the Soviet Union. Says Bialer: "The mass terror is abolished. Personal dictatorship was abolished. But in the economic field, the Stalinist system is completely in command of Russia today."

By Stalinism, Bialer means centralization of power in Moscow, with scarcely any real decision making left to individuals anywhere in the vast country. Continuation of the system dooms the Soviets to backwardness but any real change threatens the power of the ruling elite. So clumsy is the system that even when its spies steal industrial secrets from the U.S., its industry cannot easily absorb what it steals.

"The Chinese adapt from America whatever they want and still think they're superior to us," says Bialer. "But the greatest thing with the Russian leaders, when they meet our leaders, is to say they should be equal with us because they have equal strategic power. But in all other aspects they are unequal. This makes them feel internally insecure, which was always the situation in Russia."

We ask Bialer: How do we know how weak the Soviet economy is? Can you get any kind of GNP numbers at all on the Soviet economy? "That is a wonderful question," says Bialer. "In my opinion, one can't. And I must tell you that most of the Soviet economists rely on the American calculations of the GNP made by the CIA that are presented every two years to the Congress in two green volumes."

Such is the secretiveness that grips the Soviet Union: Even its own economists must look outside for believable statistics.

"You have a situation," says Bialer, "where secrecy, underdevelopment of the infrastructure, the fear of risk, lack of entrepreneurship and lack of rewards all combine to make the Soviet Union—in the civilian sector, not the military sector—fall more and more behind the U.S. and other industrial countries."

Stalin's methods did work once. Look at any Soviet city: The major building seems to date from Stalin's time and just after. Even after Stalin's death in 1953 Khrushchev and then Brezhnev were able to claim that Russia could catch up with the West.

Today, however, the cheap resources have been depleted, the sheer energy that rebuilt the country has been dissipated. The Soviet economy is like a great beast that exhausted itself in a fight for survival and now sprawls, energyless and panting. To close the gap with the West, the Soviets must shift from extensive growth based on cheap natural resources and starvable human labor, to intensive growth based on microchips, information and human ingenuity—a shift, says Bialer, that has not been made and perhaps cannot be made.

Says Bialer: "There is no question that the Soviet system does not fit the third industrial revolution. Here, the Soviet system possesses all the characteristics that work against development. It is a secretive nation, where information is compartmentalized."

Centralization, repression—Stalinism—has enabled the leaders to mobilize enough resources to become a world military power. But down the Stalinist road lies economic stagnation. And with stagnation the struggle to retain military parity becomes harder and harder. With stagnation, too, the Soviet Union becomes a laughingstock, not the proud model for the future its founders dreamed about. The Soviet economy has become what a recent writer in *The American Spectator* aptly called "an overgrown Bulgaria."

"The elite look at the situation where, for the first time in Soviet history, the Soviet Union, far from closing the gap with the developed capitalist countries, is falling behind."

The problem is not essentially a military one. "People who know," says Bialer, "are telling me that with regard to airplanes and missiles, the Russians are four years behind [the West]. I think they are six years behind. Maybe they are eight years behind. But so what? The Russians are always behind, but they catch up—with enormous sacrifices—in the military field. It will cost them more. So what? They have a population that is ten times as hard in terms of sacrifices and is ten times more controlled by their government than America's."

But the sacrifices get harder and harder as the economy falls further and further behind. The ruling elite begins to suffer, not so much from fear of popular discontent but for reasons of security and prestige. The people may want consumer goods, but, says Bialer, "The elite think in different terms. Their standard of living is not stagnating. But they look at the situation where, for the first time in Soviet history, the Soviet Union, far from closing the gap with developed capitalist countries, is falling behind.

"The point is that the whole ideology and the whole sense of the Soviet Union as a global power is based on the assumption that this gap will be closing. And it is not. This is a major change. And a major crisis. And from this point of view, the reserves of growth that Gorbachev wants to ex-

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plest are totally insufficient."

Thus far Gorbachev has tinkered and temporized, hoping he can save the Stalinist system by squeezing more growth from it. Work harder, drink less. Don't steal state property for private use. There are new incentives for research institutes to be more productive. There is a crackdown on drinking—"this in itself is probably worth 1% of labor productivity increase a year," says Bialer, "if you knew how Soviet workers and engineers were drinking at work."

But nowhere has Gorbachev gone further than his predecessors. Says Bialer: "You know, every year since Stalin's death [in 1953] there have been dozens of reforms, which I compare to elections. They try to fight the worst irrationalities of the economic system. But they do not change the basic structural characteristics of the system, which I describe in my current book: centralized planning, centralized command, the stress on quantity as opposed to quality, the passive role of money and credit, profits being really an accounting device rather than a measurement of effectiveness."

Arthur Hartman, the U.S. ambassador to the Soviet Union, once observed to a FORBES reporter that whereas the West was going through a technological revolution based largely on the free flow of information, the Soviet system presumes that information should be kept under lock and key and doled out only to a few.

Bialer nods. "Information," he says, "is a part of power. A bureaucrat who has a particular knowledge of something will not part with this knowledge, because this knowledge is his leverage, his instrument of power.

"The photocopy machine, for example. You go to an institute of the Academy of Science and try to make a copy. Try to get a copy of anything. The machine is somewhere in a special room. Somebody is always there. You have to have a signature of somebody who is entitled to give a signature for making a copy. And you will wait quite a time until it is made.

"Let's take another example. Computers do not make sense unless connected with communications. All right, now look at the Moscow telephone net. Look how difficult it is to make a call. And this is in Moscow. Try to go to a small town and call up Moscow. You will wait two, three hours. Can you imagine those computers talking to each other in such a situation?

"Or take the question of software. I would be surprised if less than 80% of software in America comes from individual entrepreneurs and from small firms. In the Soviet Union—well, first of all, a man who would have the initiative to write a software program would have to have the computer. And there are no computers privately owned in the Soviet Union, not even word processors."

Don't Soviet managers ask for productivity-enhancing equipment, to help fulfill the ambitious planning targets set for them in Moscow? That, says Bialer, is to misunderstand entirely Soviet incentives.

"Suppose that you are the director of the factory of nails. Instead of producing your plan of 10,000 tons of nails, you produce 10,500 tons. Next year you will receive a new plan that will be based on your overfulfillment of the plan this year. You are punished because you have overperformed.

"Now, one must be an idiot, in this situation, to be interested in overfulfillment of the plan or new technology. If a first-rate American manager were transferred to Moscow, within two weeks he would figure out what is good for him and would act exactly as the Soviet managers are acting. It is not that they steal or are uneducated or untalented. They are simply working within a system that does not reward talent and innovation and technological progress."

Gorbachev is the latest of the problem, but to the Soviet economy. Gorbachev also all years rules the disintegration of the Soviet Soviet empire, which has been held together only by force and control and power. The Soviet Union is really a Russian empire ruling subject peoples. "A decentralization," explains Bialer, "would not be a devolution of power only among the Russians. It would be a devolution of power to ethnic groups, which compose 49% of the Soviet population, and this will encourage, if not an immediate, then at least centrifugal forces within the society."

Besides the empire, there are the tributary states in Eastern Europe. Recalling the direct link between Khrushchev's anti-Stalin speech to the Politburo in February 1956 and the Hungarian uprising later that year, Bialer asks: "If you have liberalization of the system in Russia, what conclusions will the people who want liberalization in Eastern Europe reach? They will make it to the nth degree."

So there you have it: Stalinist economics binds the empire together and keeps power firmly in the hands of the Communist aristocracy, but it breeds economic progress. Gorbachev has limited sympathy to the economists' plans to introduce market

An expensive place to live

Below are recent retail prices in Moscow for selected items, expressed both monetarily (at the official, though unrealistically high, rate of 1 ruble: $1.60) and in terms of the working time required to buy these items, using average industrial monthly take-home pay of $260 for Soviet workers, vs. $2,365 in the U.S. The numbers result from the invaluable work of Radio Liberty Research's Keith Bush, who warns of the many pitfalls inherent in such East-West comparisons. Among them: poor quality and availability of goods in Russia, where the consumer is a very low priority.

Consumer items	Rubles	Converted U.S. $	Work hours equivalent
white bread (2.2 lbs.)	1.32	2.08	49 minutes
frozen chicken (2.2 lbs.)	3.40	5.50	2 hours, 10 minutes
ice cream (2.2 lbs.)	1.92	3.08	1 hour, 10 minutes
butter (2.2 lbs.)	3.80	6.02	2 hours, 30 minutes
potatoes (2.2 lbs.)	0.20	0.30	12 minutes
tea (3.3 oz.)	3.76	1.12	46 minutes
red wine (1.1 qts.)	4.40	6.79	4 hours, 10 minutes
vodka (1 pt.)	5.40	8.60	5 hours, 15 minutes
small car (Zhiguli)	6,500.00	10,500.00	68.4 months
regular gasoline (2.4 gals.)	3.00	4.66	3 hours
beans	56.00	85.00	58 hours
man's shirt	13.00	20.77	13 hours
man's shoes	65.00	98.00	41 hours
color television (25 in.	700.00	675.75	169 hours
monthly rent subsidized, unfurnished)	10.00	20.00	12 hours, 30 minutes
VCR	1,200.00	1,775.20	1,200 hours

prices into the Soviet economy. In August Gorbachev fired the chairman of the State Committee for Prices, Nikolai Glushkov, for obstructing price reform.

Is this the beginning of real reform? Bialer: "Gorbachev is throwing out a minister. Whom is he appointing in his place? A vice minister. The vice minister is younger, more ambitious. But he has learned how to work from the minister. He's worked in the system. This is [Gorbachev's] major problem. It's not a problem that he cannot exchange people. It's a question for whom will he exchange them? He doesn't have the power to make the [really important] decisions. And he has still, in my opinion, illusions that lesser reforms can repair the system. In my opinion, they will improve, slightly, the economy's performance, but they will not repair its basic backwardness compared to us."

"The Soviets found that, despite strategic parity, we are on the verge of a new arms race where technology will play a higher role. Never in the past 20 years did they want arms control as badly as today."

Gorbachev, then, is not so much a dictator as he is a prisoner of the Stalinist system. And not only of the system but of Russian history as well. Says Bialer: "My proposition is that the autocratic, nondemocratic, centralized type of Soviet system did not go against the Russian tradition. Very simply, in the entire Russian history, from the beginning until today, there was not one day that they had a democratic regime. Not one day."

Hoping the system will magically rejuvenate but probably aware that it cannot, Gorbachev needs to deliver something. Freezing the arms race would take pressure off the economy, buy time for the system he represents. It would also enable the Red Army's generals to sleep more soundly. All of which means that an arms deal may be in the offing—one that the U.S. can accept. Says Bialer: "The Soviets have found out that, despite all their strategic parity with the U.S., we are on the verge of a new arms race where technology will play a higher role. Their [military] security will be in danger. Never in the past 20 years did they want arms control as badly as today." *(See story, p. 216.)*

A useful comment, that, for the critics of recent U.S. economic and military policy to remember. ■

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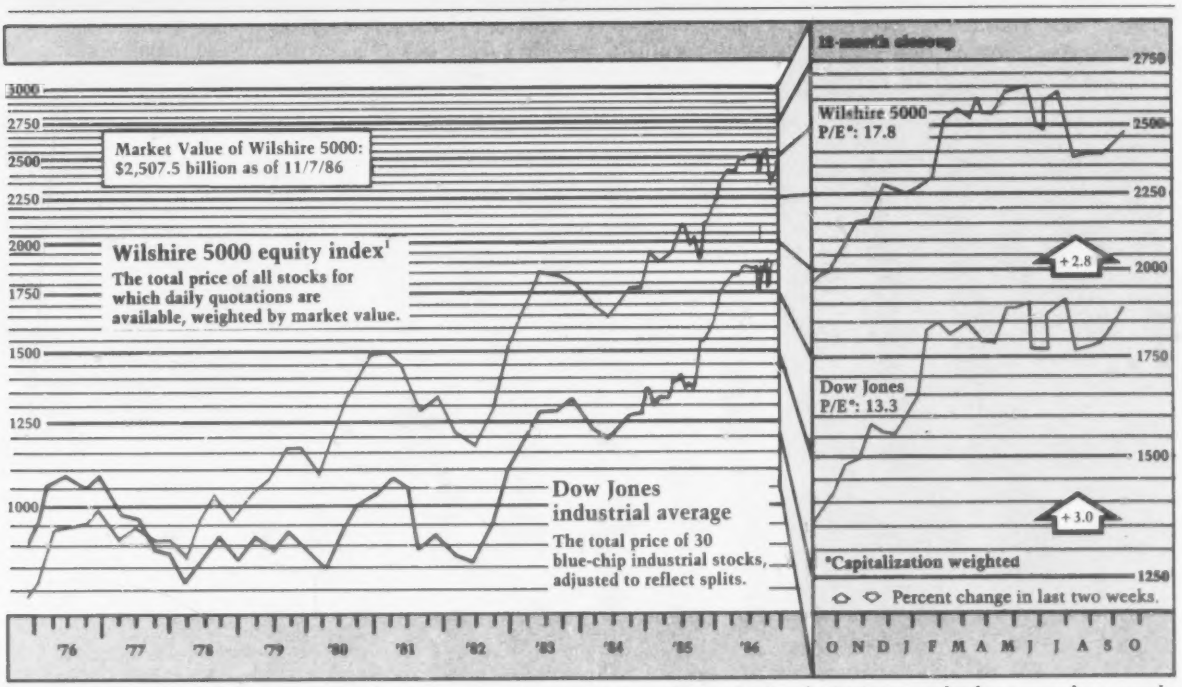
Edited by Steve Kichen



The last correction is being corrected. It wasn't so long ago—Sept. 11—that the Dow fell 87 points. The causes of that fall—concerns about the economy, interest rates, the budget deficit and the trade deficit—have hardly been remedied. But passage of the tax bill and some respectable third-quarter earnings have evidently encouraged investors. The Wilshire index posted a 2.8% two-week advance. The Dow shows a two-week gain of 3%, a four-week gain of 5.2%. This brings the Dow within 33 points of its alltime high of 1919, a mark that may be tested within the coming weeks. On the other hand, secondary issues, particularly those traded on the Nasdaq, are further behind. Although the Nasdaq gained 1.2% over the last ten trading days, it still stands some 12.2% off its July high point.

Earnings multiples are again ratcheting upward. The Dow industrials now sell at 13.3 times latest 12-month earnings, while the P/E on the Wilshire 5000 index is 17.8.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	4.0	4.3	5.2	4.3	1.2	2.1
in last 52 weeks	25.0	21.8	34.3	26.4	14.5	20.3

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	4.8	3.7	8.2	2.6	4.4	1.8	2.7	2.9	6.1	3.9	3.5	3.8
in last 52 weeks	29.8	43.1	63.9	31.0	21.9	32.9	25.0	40.0	53.0	38.4	35.8	27.7

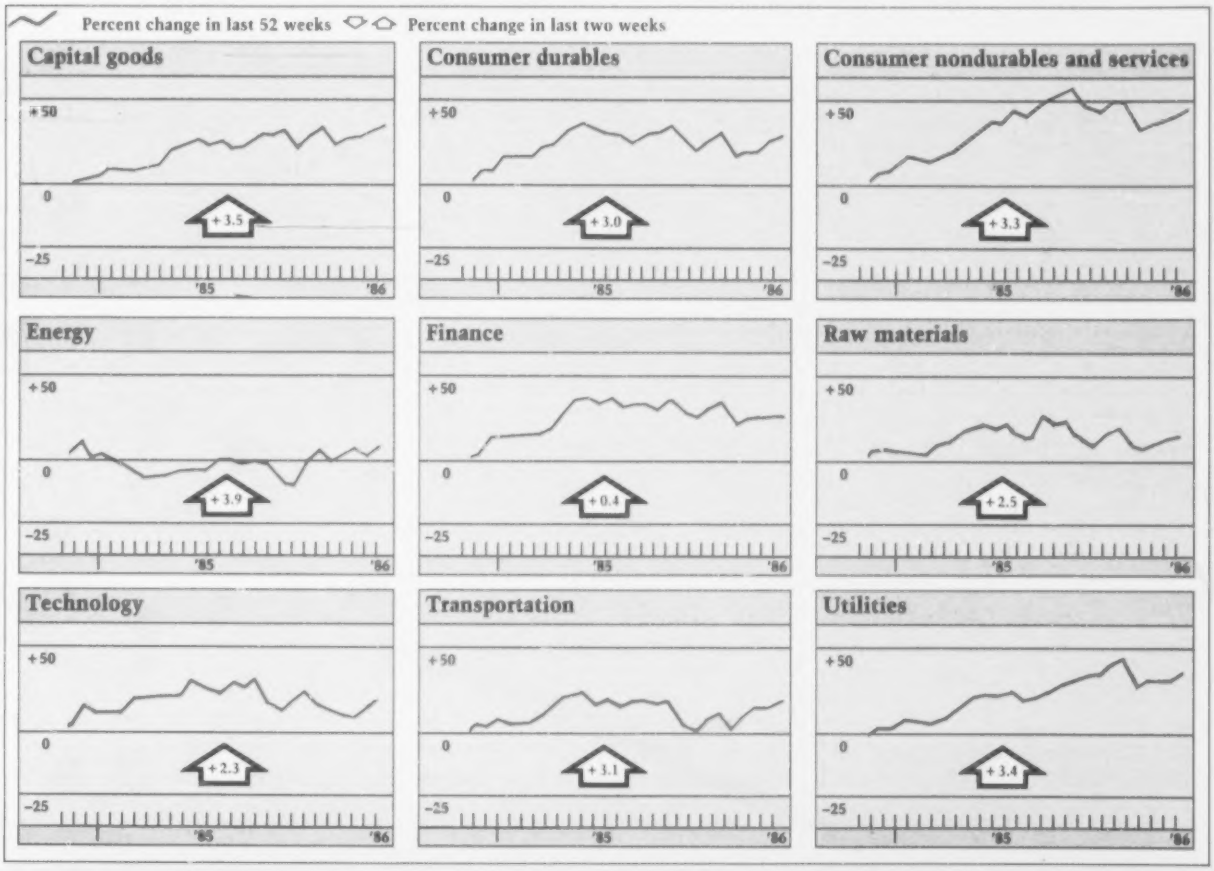
[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 11/7/86. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Takeovers and restructurings helped five big consumer stocks in the last two weeks. Gillette led with a 33% gain. There is speculation that either Unilever or Ronald Perelman's Revlon Group will make an offer for it. Winn-Dixie Stores rose 29% on takeover rumors, made plausible by Asher Edelman's recent run at Lucky Stores. Zayre is up 29% because of a stock buyback plan. Nursing home operator Beverley Enterprises gained 28% on its late-October plan for a leveraged buyout. Zale, with a 26% gain, is being courted by Peoples Jewellers of Canada.

Finance stocks, with a 0.4% gain, underperformed the market. Hardest hit were insurance stocks: Alexander & Alexander, a brokerage and agency firm, fell 19%. Marsh & McLennan, the largest such concern, lost 10%.



What The Analysts Think

Ford's and Chrysler's 1986 earnings forecasts were raised during the last two weeks. The gains were small—2.5% for Ford and 3.6% for Chrysler—but they helped raise the capitalization-weighted forecast for consumer durables by 0.3%. Among other estimated increases were Black & Decker, up 8.9%, and Chicago Milwaukee, up 10.8%.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.72	16.2
1986 estimates	3.18	13.9
1987 estimates	3.82	11.6

Rank based on change in estimate	Sector	Estimated 1986 EPS	Estimated 1986 P/E	% change in 1986 estimate in 2 weeks	% change in 1986 estimate in 4 weeks
1	Consumer durables	$3.79	11.0	0.25%	-0.58%
2	Utilities	3.28	10.7	0.04	0.12
3	Consumer nondurables	2.10	17.0	-0.49	-0.96
4	Transportation	1.40	22.4	-0.67	-7.20
5	Energy	2.18	16.1	-0.92	-1.91
6	Finance	3.15	11.1	-0.98	-1.61
7	Raw materials	1.81	18.3	-1.10	-2.21
8	Capital goods	2.25	16.7	-1.30	-1.07
9	Technology	2.46	15.2	-2.63	-4.93

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 11/7/86. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Statistical Spotlight

Analysts were far too optimistic last year with earnings forecasts. So did the market collapse this year? No, it went up.

Right for the wrong reasons

By Michael Ozanian

THE GOOD NEWS was that the Dow went way up. The bad news, for people who take Wall Street analysis seriously, is that the move was completely independent of earnings forecasts.

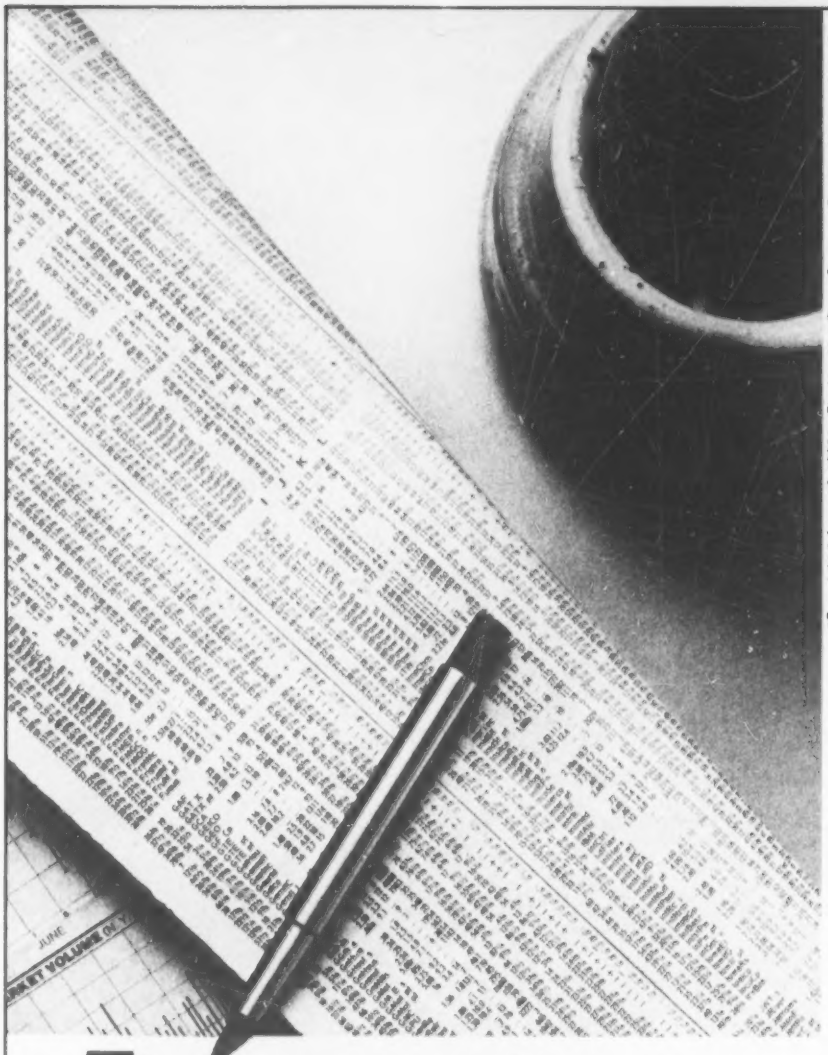
A year ago market watchers were talking about a 1900 Dow within 18 months (FORBES, *Nov. 4, 1985*). The scientific basis for this wild forecast, at a time when the Dow was a mere 1327, was earnings estimates. For those we turned to compilations by the Institutional Brokers Estimate System (IBES), which tracks the work of over 2,500 Wall Street analysts. The consensus was for the 30 Dow stocks to earn $133 in 1985 and $162

Another try at the Dow 30

Company	Earnings estimates 1986 (old)	1986 (current)	1987 (current)	Recent price	52-week high–low	1987 est P/E
Allied-Signal	$4.92	$3.66	$4.22	41⅜	49½ – 36¼	9.8
Aluminum Co of Amer	3.53	2.12	3.88	37⅛	46⅛ – 32⅛	9.6
American Can	5.96	6.16	6.88	88½	91⅞ – 58½	12.9
American Express	4.53	4.95	5.57	59½	70⅛ – 48⅞	10.6
American Tel & Tel	2.01	1.73	1.99	24⅞	26 – 20⅛	12.5
Bethlehem Steel	2.20	–2.89	1.32	7	22 – 6¼	5.3
Chevron	4.86	3.00	3.14	43½	47⅛ – 33⅝	13.9
El du Pont de Nemours	6.18	6.44	7.09	86⅛	89 – 59½	12.2
Eastman Kodak	4.26	2.77	4.27	64	64⅜ – 43¼	15.0
Exxon	7.14	6.42	6.08	69⅜	71⅛ – 48⅜	11.4
General Electric	5.83	5.46	5.19	77⅜	82⅛ – 59⅜	14.9
General Motors	11.73	9.37	8.79	72⅛	78⅜ – 46⅞	8.2
Goodyear	3.73	2.90	3.26	48⅛	50 – 36⅛	14.8
Inco Ltd	1.35	0.01	0.63	12⅜	18⅞ – 10⅛	19.4
IBM	12.85	9.68	11.24	126⅛	161⅞ – 112⅜	11.2
Intl Paper	4.07	3.94	5.17	73½	73½ – 45⅛	14.2
McDonald's	3.83	3.76	4.33	63⅛	76¾ – 45⅜	14.6
Merck & Co	4.25	4.73	5.62	110	116¾ – 58½	19.6
Minnesota Mng & Mfg	7.02	6.77	7.65	109	116 – 78⅛	14.2
Navistar Intl	1.71	0.37	0.90	6	11⅜ – 5¾	6.7
Owens-Illinois	2.97	3.06	3.48	42⅛	45⅜ – 28	12.1
Philip Morris Cos	5.98	6.18	7.60	73	78 – 36⅛	9.7
Procter & Gamble	4.68	4.30*	4.76	76⅞	87½ – 60⅜	16.1
Sears, Roebuck	4.52	3.89	4.51	63⅜	80½ – 34¼	9.7
Texaco	4.75	3.19	3.05	35⅛	39⅝ – 26	11.5
Union Carbide	2.09	1.42	2.09	22	25½ – 18¾	10.5
United Technologies	5.07	3.85	4.87	42⅞	56¼ – 39⅛	8.8
USX	5.37	–1.90	1.16	25¼	28¾ – 14½	21.8
Westinghouse Elec	4.03	4.36	5.05	57⅞	60¼ – 25	11.5
FW Woolworth	2.80	3.21	3.69	44½	49 – 25¼	12.1

*Actual. Note: Dow Jones index is based on the sum of 30 company figures divided by 0.889.

Sources: The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, via Micro/Scan Data on diskette from Isys Corp.; FORBES.



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These companies earned an unexpected dividend this quarter.

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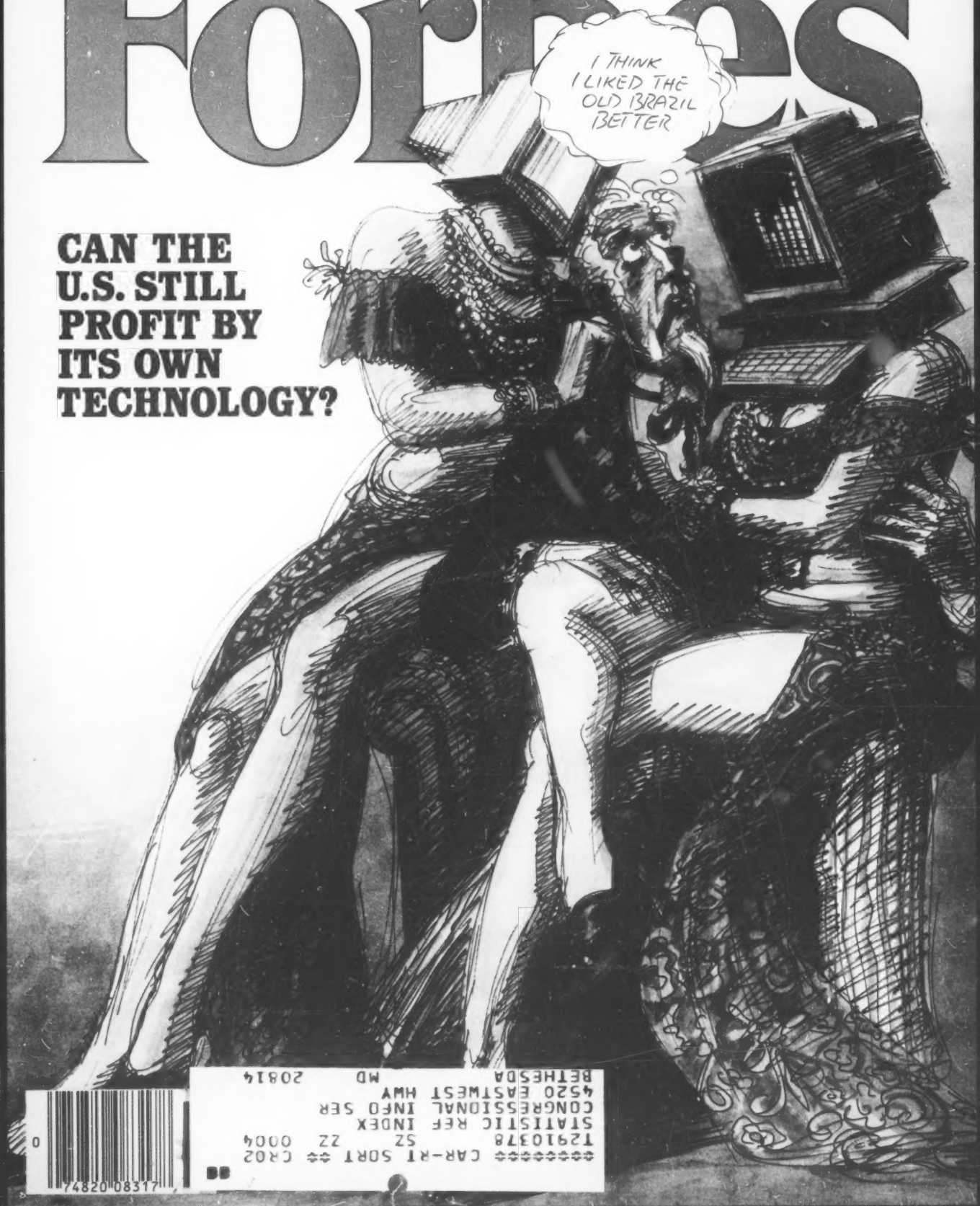

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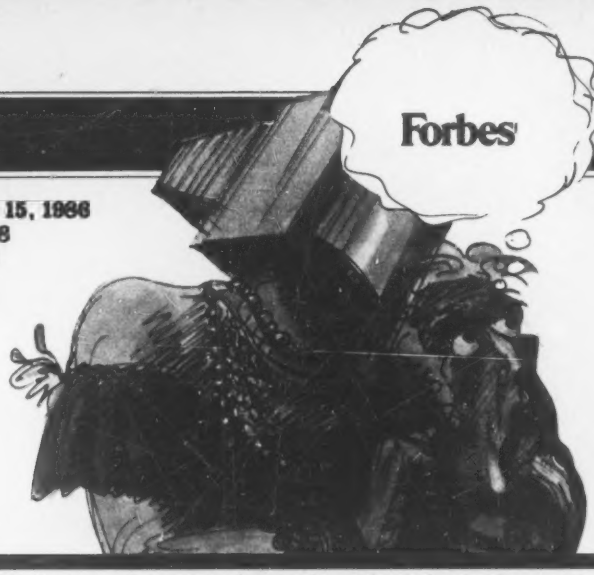

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December 15, 1986 Volume 138 Number 13 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1986 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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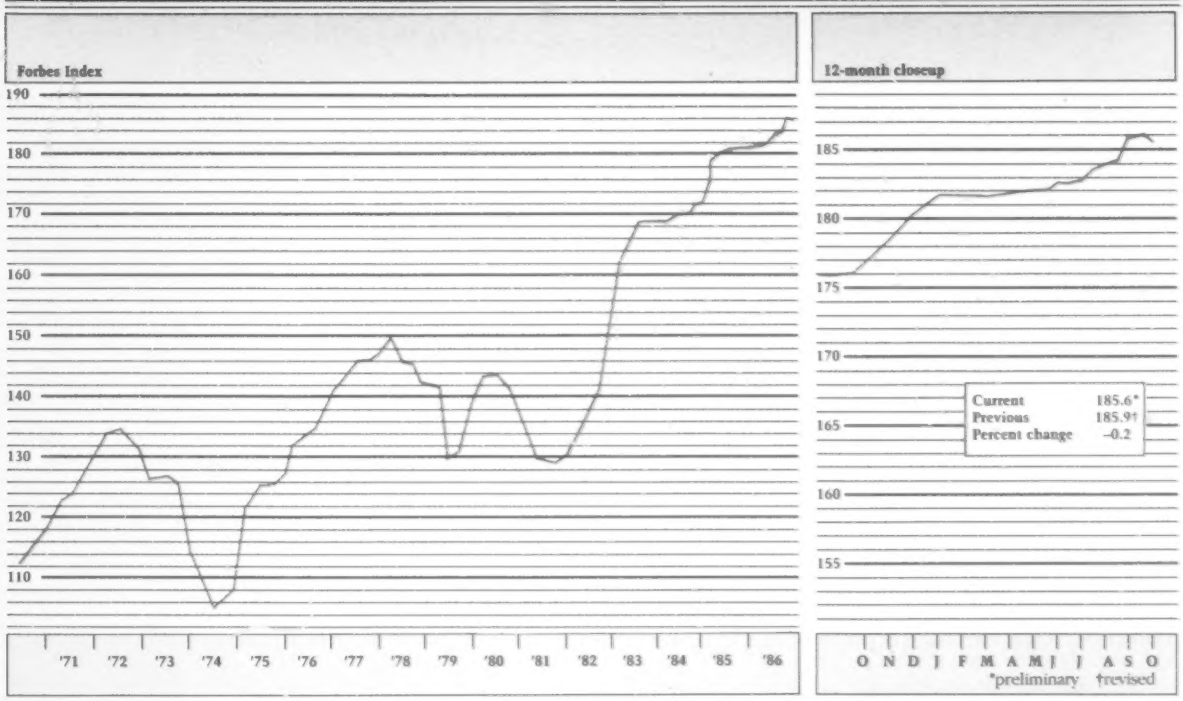
The Forbes Index



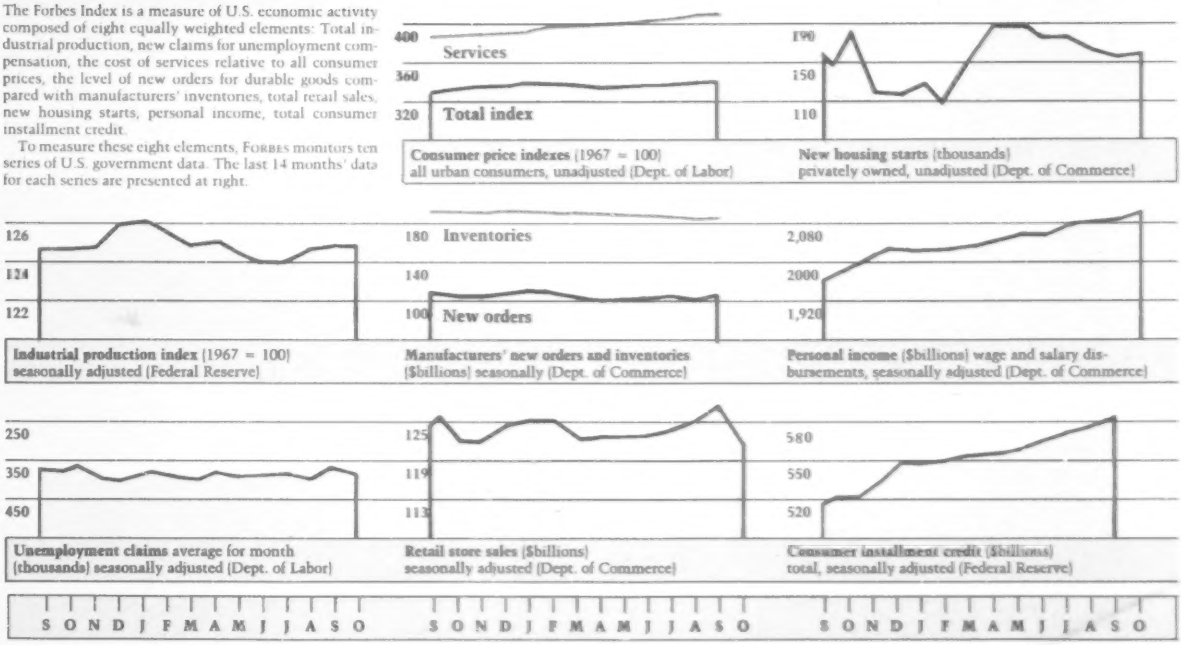
Kerplunk. The Forbes Index fell 0.2% during the latest reporting period, the sharpest decline since August 1984. Retail sales, no longer being boosted by dirt-cheap auto financing, dropped 5% from September to October. Industrial production was flat in October. Since 1977 the index for industrial production has climbed only 25.2%.

Personal income has been growing 0.7% month to month. But consumer installment credit is racing ahead, up 1.5% from August to September (latest period available). A good part of the credit surge, of course, is explained by the automakers' promotions this fall. But this growing gap between income and debt, coupled with the gradual phasing out of installment interest deductions in the new tax law, could curtail spending next year.

The Forbes Index Components

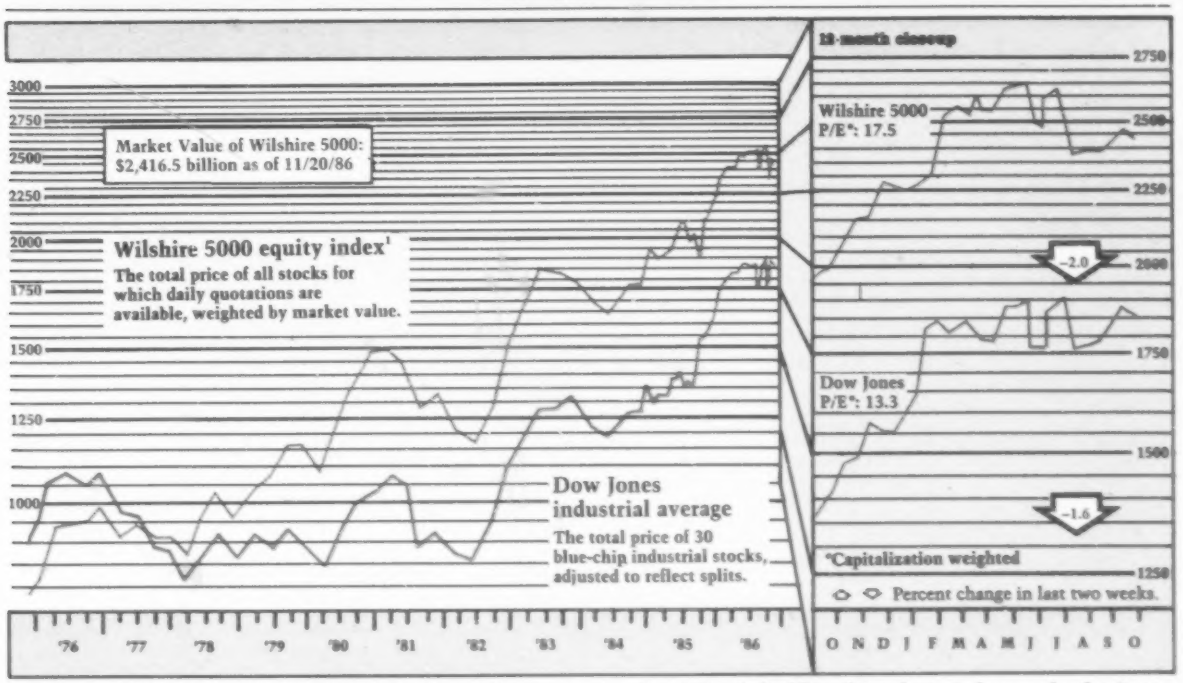
The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



A 34-point rally during the final trading day of the two-week period tracked here cut the two-week loss on the Dow industrials to 1.6%. This late surge, following a bad case of the Boesky blues, also gave the Dow some comfortable breathing room over the 1800 level, an event that technicians might find significant. And despite the recent turmoil, the Dow still holds some 75% of the gains it has made since its interim bottom in late September. Secondary shares finished the ten-day trading period a little further behind the blue chips, but not by much; the Amex, for example, was off 2.1%.

The overall market, as measured by the Wilshire index, fell 2% in the last two weeks. But the Wilshire is still selling at a rather high 17.5 times latest 12-month earnings. Helping to sustain this P/E are Wall Street's lofty 1987 earnings projections *(see story, p. 196)*. However, if the earnings forecasts prove to be too cheery, investors will have more to worry about than insider trading.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	0.6	1.0	1.4	0.9	–0.3	–1.1
in last 52 weeks	18.3	15.3	27.2	19.7	8.7	13.9

Stock performance based on six key investor yardsticks

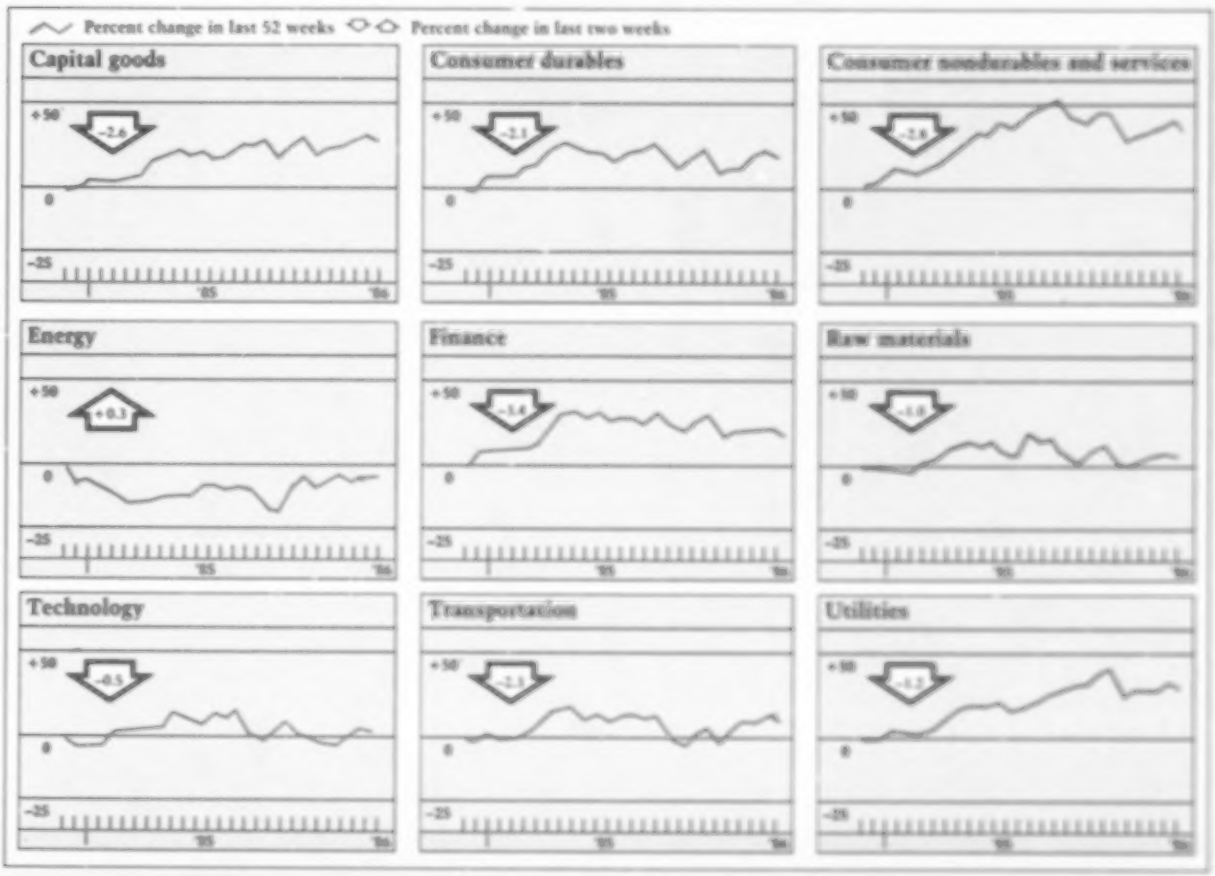
Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	0.7	3.4	6.1	0.6	1.2	–0.8	0.5	0.0	2.9	0.9	–0.2	1.5
in last 52 weeks	22.6	40.5	56.5	27.2	15.6	27.4	20.3	32.9	45.6	33.1	28.0	26.0

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 11/20/86. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

What it will take to close the technology gap. While the overall market doesn't look undervalued, the technology sector shows signs of it. Over the last 52 weeks technology stocks lag every sector except energy. Technology gained only 4.2% over the last 52 weeks, vs. 29.3% for consumer nondurables, the leading sector, and 18.3% for the market as measured by the Wilshire index. What's wrong? The technology group is struggling with cutthroat competition in the semiconductor industry and a slump in computer business. Moreover, IBM, the stock that makes up about a quarter of the capitalization-weighted technology sector, is dragging down the group. Thanks to weak earnings, IBM's share price is off 12% over the past year. If IBM recovers, the group should follow.



What The Analysts Think

With the fourth quarter nearly over, analysts are scrambling to reduce their 1986 earnings estimates. The Institutional Brokers Estimate System reports that for every five 1986 estimates being raised, eight are cut. Technology, transportation and capital goods stocks have been hit hardest. *(For more IBES numbers, see following story.)*

Forecasting the Forbes 300

Performance period	Average earnings per share	P/E
latest 12 months	$2.72	15.9
1986 estimates	3.16	13.7
1987 estimates	3.90	11.4

Rank based on change in estimate	Sector	Estimated 1986 EPS	Estimated 1986 P/E	% change in 1986 estimate in 2 weeks	% change in 1986 estimate in 4 weeks
1	Utilities	$3.29	10.6	-0.12%	-0.08%
2	Energy	2.49	14.4	-0.23	-0.17
3	Consumer nondurables	2.89	16.8	-0.26	-0.77
4	Finance	3.34	10.5	-0.43	-1.41
5	Consumer durables	1.79	11.0	-0.78	-0.66
6	Raw materials	1.78	16.0	-0.83	-1.56
7	Technology	2.45	15.3	-1.24	-2.89
8	Transportation	1.48	22.3	-1.32	-2.19
9	Capital goods	2.14	17.0	-1.86	-3.19

Earnings projections are capitalization-weighted consensus estimates from over 2,000 securities analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 11/20/86. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

These companies are due for big earnings gains next year, if the analysts are right. Caution: Analysts are eternal optimists.

High hopes

By Steve Kichen

Now, we won't spare any scrumptious bargains for you on these pages, but we do have some intriguing situations. Look down to Commercial Airlines, on page [illegible]. If the Wall Street crowd is right about this high-risk stock, it will earn $2.40 or so next year, meaning that the current [illegible] price tag on the stock represents a future P/E of only 11. Trans Air Commercial's parent, [illegible] has [illegible] million, with a projected $4.20 or so.

Then there's W.R. Builders, available for 5.8 times the $4 or so it's supposed to do next year. Home Group, Pentower General and the St. Paul Cos. are among the other more

Outlook: better earnings

Company/business	Recent price	Earnings per share 1992 est	Earnings per share 1993 est	Earnings per share % change	Estimated 1993 P/E	Estimates quarters	Estimates confidence factor
Acculine/electrical equipment	14¾	$0.43	$1.06	147%	14	4	low
ACI Holdings/airline	14¾	3.10	3.89	26	10.5	4	very low
Adams-Russell/cable television	23¾	1.75e	1.45	-17	16.5	4	low
Affiliated Bankshares of Colorado/bank holding	12	0.89	1.11	25	9.6	4	low
Air Products & Chemicals/industrial gases	36¾	3.00e	3.84	28%	10.5	16	average
Alberto-Culver/personal care goods	33	0.68e	1.13	66	29.8	8	very high
Alcoa/aluminum	49¾	3.35	3.87	16	12.9	20	low
Amdahl/computer equip	13¼	0.65	1.45	123	9.0	18	low
America West Airlines	8¼	0.72	1.49	71	5.5	11	very low
American Freedom Cos/mass transport	22¼	0.35	1.34	283%	16.5	4	very low
Anheuser-Busch/food processing	32¼	0.99	1.65	67%	19.5	7	low
Anthem Electronics/electronics	11¼	0.58	1.05	81	10.7	6	low
Apollo Computer/computer equip	13¾	0.56	0.77	38	17.9	18	low
Applied Materials/equip for mfg semiconductors	35¾	0.96	3.46	259%	10.3	16	very low
Augat/electromechanical components	16¾	1.02	1.19	16	13.9	10	low
Bearings/bearings, power trans equip	22¾	0.76e	1.69	122%	13.7	4	average
Bean Process/hosiery equip	12¼	0.55	0.67	22	18.1	4	low
Bell Info/electronics	18¾	0.56e	0.97	73	18.1	7	low
Beneficial Corp/finance	71¼	3.10	3.65	18	19.7	8	average
BH Builder/insurance	32¾	1.35	4.45	70	7.2	3	average
Bon Trade/retailing department	11	0.25	1.15	360%	9.6	16	low
Bocraft Labs/generic drugs	19¾	0.48	1.45	76	16.1	4	average
Black & Decker/electric tools and appliances	16¾	0.65	1.37	108	12.0	16	low
Bundy/structural equip	14¾	0.51	1.49	78	10.0	16	average
Business Men's Assurance/insurance	35¼	1.10	3.38	75	11.0	7	low
Businessland/computer stores	19¾	0.13e	0.56	331%	35.1	7	low
Butler Intl/aviation services	19¾	0.40	0.77	93	24.0	4	low

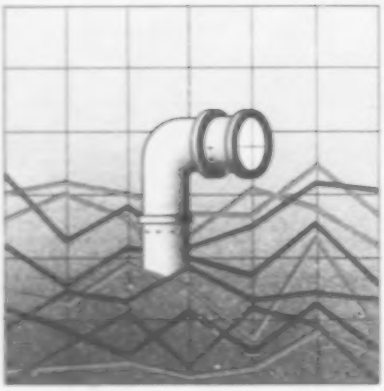
* 100% or more. e: Actual

Source: The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, an Alfred Lynch Trust on Citibase/Price Data Corporation Service

ance stocks trading at cheap multiples of their projected earnings. Western Capital Investment, Navistar International [truck manufacturing] and Farah Manufacturing [clothes] are also seemingly cheap.

What's the catch? Mainly, that analysts' guesses as to next year's earnings are about as reliable as a long-range weather forecast. An analyst has enough trouble predicting how a nearly completed year will come out, as our recent look-back on year-ago predictions for the 30 Dow stocks showed [FORBES, *Dec. 1*]. But this may be helpful to investors: By and large, when the analysts are wrong, they guess too high.

The table that follows includes good-size companies with expected earnings per share gains of at least 70%. Generally the data don't count nonrecurring items like asset sales and writeoffs. [Our table comes cour-



tesy of Institutional Brokers Estimate System, which gathers forecasts on 3,500 companies from 135 brokerage firms.]

You won't find such names as Bethlehem Steel, Exxon, General Motors or USX listed. They aren't due for big earnings jumps, according to the experts. Wall Street is expecting that autos and major oils will amble along. But they are looking for better than average gains in such areas as chemicals, semiconductors, machine tools and regional banks.

For instance, Wall Street has Genentech down for magnificent earnings growth in 1987, from 35 cents a share to 89 cents. Even against the year-ahead earnings, however, this biotech company is trading at what some would consider a ridiculous multiple of 95. For the price to be reasonable, the 154% growth rate must continue for a couple of years more.

A major caution is that for some of these companies the analysts don't come close to agreement in their predictions. This is indicated in the column "confidence factor." Continental Air rates a "low" in this department. Meaning that the analysts are all over the lot on the projections. ■

Outlook: better earnings

Company/business	Recent price	Earnings per share 1986 est	Earnings per share 1987 est	Earnings per share % change	Estimated 1987 P/E	Estimates number	Estimates confidence factor
Catalyst Energy Dev/alternative energy sys	22½	$0.59	$1.29	119%	17.4	4	average
CBI Inds/metal fabricating	25	1.04	1.90	83	13.2	5	very low
Champion Spark Plug/auto parts	10¼	0.16	0.61	281	16.8	5	low
Chesapeake Corp/packaging	33⅞	1.17	2.46	110	13.8	10	low
Claire's Stores/apparel stores	7¼	0.32	0.64	100	11.3	9	low
Coastal Corp/oil and gas	31⅝	1.67	3.33	99	9.5	21	low
Cobancom/lasers	9⅛	0.17	0.67	294	14.7	5	low
Collagen/biotechnology	9⅝	0.22a	0.39	77	24.7	5	average
Colorado National Bankshares/bank holding	14⅜	0.80	1.41	76	10.5	7	low
Comair/airline, freight forwarding	8	0.55	1.20	118	6.7	3	average
COMB/specialty retail	18	0.38	1.10	189	16.4	7	very low
Comp-U-Card Intl/electronic shopping	11¼	0.51	0.89	73	13.4	3	average
Consumers Power/electric utility	16	0.61	1.08	77	14.8	18	very low
Continental Airlines/airline	15½	1.08	2.83	162	5.5	3	low
CooperVision/eyecare products	19¼	8.98	1.62	300*	11.9	9	low
Costco Wholesale/specialty retail	11⅜	0.15a	0.48	220	24.2	7	low
Cross & Trecker/machine tools	13⅞	0.02a	0.78	300*	17.8	19	low
Crystal Brands/apparel	20½	0.96	1.80	88	11.4	5	average
Cubic/electronics	14⅝	0.32	1.40	300*	10.3	3	low
Cummins Engine/mfr diesel engines	61¾	0.12	4.43	300*	14.3	10	very low
Data Card/credit card processing equip	12⅞	0.75	1.48	97	8.7	4	low
Data General/computer equip	31¼	0.21a	1.37	300*	22.8	28	low
Delta Air Lines/airline	47	1.16a	4.37	270	10.8	21	low
Diamond Shamrock/energy, chemicals	12⅜	0.13	0.59	300*	21.6	21	very low
Dome Mines Ltd/gold mines	7¼	0.12	0.26	117	27.9	14	very low
Dravo/construction	17½	0.53	1.08	104	16.2	3	low
DSC Communications/telecommunications equip	6½	0.38	0.68	79	9.6	19	low

* 300% or more a Actual

Source: The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, via Micro Scan Data on Diskette from Lotus Information Services

Outlook: better earnings

Company/business	Recent price	Earnings per share 1986 est	Earnings per share 1987 est	% change	Estimated 1987 P/E	Estimates number	Estimates confidence factor
Emery Air Freight/freight forwarding	13⅜	$0.01	$1.13	300%*	12.1	18	low
Energen/gas utility	19	0.47a	1.77	277	10.7	3	high
Equimark/bank holding	4⅜	0.12	0.60	300*	7.3	3	very low
Esterline/precision instruments	11⅞	0.18	0.83	300*	14.3	4	very low
Fairchild Inds/aerospace	11⅛	0.46	1.04	126	10.7	9	low
Farah Mfg/apparel	15⅝	1.17	2.28	95	6.9	4	average
Federal Natl Mortgage/mortgages	33⅞	2.65	4.52	71	7.5	17	low
Fieldcrest Cannon/textiles	31½	1.93	3.38	75	9.3	7	very low
Fireman's Fund/insurance	32⅞	2.57	4.36	70	7.5	26	average
Floating Point Sys/computer equip	12¾	0.08	0.51	300*	25.0	17	very low
Freeport-McMoRan/minerals, oil and gas	18¼	0.65	1.21	86	15.1	16	low
Fremont General/insurance	16⅛	0.31	3.25	300*	5.1	6	low
Galileo Electro-Optics/precision instruments	35½	1.33a	2.30	73	15.4	3	average
Genentech/biotechnology	84¾	0.35	0.89	154	NM	20	very low
General DataComm Inds/computer equip	8¼	0.26a	0.72	177	11.5	13	low
General Instruments/electronics	16	0.69	1.47	113	10.9	11	very low
Golden Nugget/hotels and casinos	10⅝	0.46	0.88	91	11.5	8	average
BF Goodrich/tire and rubber	44⅛	1.41	4.05	187	10.9	12	low
WR Grace/multicompany	52	0.66	2.61	295	19.9	15	low
Guaranty Natl/insurance	7¼	0.58	1.00	72	7.3	3	very high
Frank B Hall/insurance brokerage	17¼	0.68	1.39	104	12.4	17	low
Harnischfeger/heavy equip	15¾	0.46	1.48	222	10.6	8	low
Heck's/retail	12⅜	0.41	1.03	151	12.0	8	very low
Home Group/insurance	17⅜	1.06	3.55	235	4.9	12	low
Homestake Mining/gold and metals mining	25	0.40	0.71	78	35.2	16	very low
Integrated Device Technology/electronics	7⅝	0.27	0.63	133	12.1	5	very low
Intermedics/health care equip	15½	0.25	0.78	212	19.9	6	very low
Intl Game Technology/coin-operated video games	9¾	0.06	0.64	300*	15.2	5	very low
IU International/multicompany	14¼	0.68	1.40	106	10.2	10	low
Joy Mfg/industrial machinery	26	0.63	1.15	83	22.6	17	low
Kansas City Southern/railroad	48⅞	1.09	2.60	139	18.8	7	low
Kennametal/metal fabricating equip	24⅝	0.06a	1.79	300*	13.8	10	average
Lancaster Colony/household prods	18¼	0.26a	1.67	300*	10.9	6	average
Litton Inds/multicompany	80	2.52a	5.79	130	13.8	17	average
Louisiana Bancshares/bank holding	8	0.27	0.79	192	10.1	3	very low
LSI Logic/semiconductors	8⅞	0.11	0.44	300*	20.2	15	low
Lynch Communications/telecomm equip	13⅝	0.37	0.76	105	17.9	6	low
Malrite Communications Group/broadcasting	10¾	0.08	0.45	300*	23.9	3	average
Meritor Savings Bank/savings and loans	8⅛	0.59	1.15	95	7.1	7	very low
Midway Airlines/airline	11⅛	0.55	1.04	89	10.7	8	low
Moore McCormack Resources/cement	19⅛	0.73	1.46	100	13.1	8	very low
NAC Re Corp/reinsurance	26½	1.20	2.38	98	11.1	6	very low
National Semiconductor/semiconductors	10¾	0.15	1.01	300*	10.5	15	very low
Natl Convenience Stores/convenience stores	9⅞	0.15a	0.52	247	19.0	8	very low
Navistar Intl/truck mfg	5½	0.32	0.79	147	7.0	14	very low
Northrop/aerospace	42⅜	1.46	4.96	240	8.5	23	average
Occidental Petroleum/integrated oil	27⅛	0.88	1.50	70	18.1	20	very low
Oneida Ltd/housewares	12⅛	0.47	0.95	102	12.8	3	low

*500% or more a: Actual NM: Not meaningful

Source: The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, via MicroScan Data on Diskette from Lotus Information Services

Outlook: better earnings

Company/business	Recent price	Earnings per share 1986 est	Earnings per share 1987 est	% change	Estimated 1987 P/E	Estimates number	Estimates confidence factor
Orion Capital/insurance	26¾	$1.12	$3.62	223%	7.4	8	very low
Outboard Marine/outboard motors	29⅛	0.66a	2.54	285	11.5	9	low
Overseas Shipholding/ocean transport	18⅝	1.37	2.43	77	7.7	5	low
Pace Membership Warehouse/specialty retail	8¾	0.09	0.47	300*	18.6	5	low
Phelps Dodge/copper	17¾	1.39	2.55	83	7.0	19	very low
Pittston/oil and coal	11¾	0.30	0.84	180	14.0	10	low
Plains Petroleum/oil and gas expl, dev, prod	25⅛	0.35	1.67	300*	15.0	4	average
Pullman-Peabody/machinery	7¾	0.38	0.65	71	11.9	3	low
Quixote/highway safety prods	14¼	0.27a	0.71	163	20.1	5	low
Ransburg/machinery	11⅞	0.28	0.83	196	14.3	5	low
Reeves Communications/TV programming, prod	8¼	0.32a	0.78	144	10.6	5	low
Resorts Intl/hotels and casinos	47⅞	1.12	2.83	153	16.9	7	very low
Revlon Group/cosmetics	13	0.48	1.23	156	10.6	3	low
Ross Stores/apparel stores	5⅜	0.35	0.61	74	9.2	7	low
St Paul Cos/insurance	36¾	2.98	5.07	70	7.2	27	low
Seagate Technology/computer equip	16⅝	0.72a	1.71	138	9.7	20	low
SEI Corp/computer svcs to finance ind	19¼	0.77	1.45	88	13.3	3	low
Seibels Bruce Group/insurance	15	0.01	1.93	300*	7.8	7	very low
Sovereign/insurance	7⅛	0.23	0.46	100	15.5	7	very low
Spectra-Physics/lasers	20¾	0.11a	0.78	300*	26.6	6	low
Staley Continental/food processing	27¾	0.88a	2.29	160	12.1	15	low
Standard Microsystems/semiconductors	11⅛	0.30	0.87	190	12.8	7	very low
Stone Container/packaging	53½	1.24	4.40	255	12.2	13	low
Summit Health Ltd/health care svcs	6½	0.22a	0.56	155	11.6	6	low
Sun Electric/precision instruments	11⅛	0.21	0.85	300*	13.1	4	low
Sun Microsystems/computer equip	18⅛	0.46a	0.94	104	19.3	8	low
Telecredit/financial svcs	45¾	1.49	2.75	85	16.6	4	low
TeleVideo Sys/computer equip	2⅛	0.04	0.17	300*	12.5	3	very low
Teradyne/precision instruments	16⅛	8.98	0.79	300*	20.4	20	very low
Texas Air/airline	34⅞	1.50	4.01	167	8.7	9	very low
Texas Instruments/semiconductors	112⅝	1.26	7.49	300*	15.0	32	low
Tokheim/gasoline metering equip	19⅛	1.03	1.90	84	10.1	4	low
UAL/airline	56⅞	1.64	5.79	253	9.8	20	low
Ungermann-Bass/computer equip	10⅜	0.04	0.58	300*	17.9	12	average
Unitrode/semiconductors	11¾	0.06	0.73	300*	16.1	9	low
Valid Logic Sys/computer equip	6⅛	0.11	0.31	182	19.8	16	very low
Varity/machinery	1⅞	0.12	0.24	100	7.8	4	very low
Veeco Instruments/precision instruments	14½	0.56	1.03	84	14.1	5	average
Viacom Intl/TV programs	40⅞	0.36	1.02	183	40.1	10	low
VLSI Technology/electronics	10⅞	0.02	0.48	300*	22.7	13	low
Western Capital Investment/savings and loan	14¾	0.37	2.18	300*	6.8	5	low
Whitehall/multicompany	23⅜	1.06	2.98	181	7.8	6	average
Williams Cos/natural gas	22¼	0.31	1.36	300*	16.4	18	very low
Wyle Labs/electronics	12¼	0.53	0.95	79	12.9	8	low
York International/climate-control equip	16⅞	0.72	1.43	99	11.8	3	very low
Zenith Electronics/consumer electronics	20⅛	0.01	0.97	300*	20.7	12	very low
Zenith Labs/generic drugs	10	0.25	0.68	172	14.7	11	low
Zenith Natl Ins/insurance	22	1.78	3.14	76	7.0	6	average

*300% or more. a: Actual.

Source: The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, via Micro Scan Data on Diskette from Lotus Information Services.

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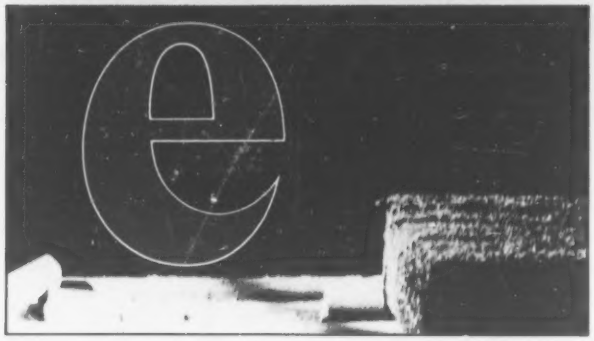

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December 29, 1986 Volume 138 Number 14 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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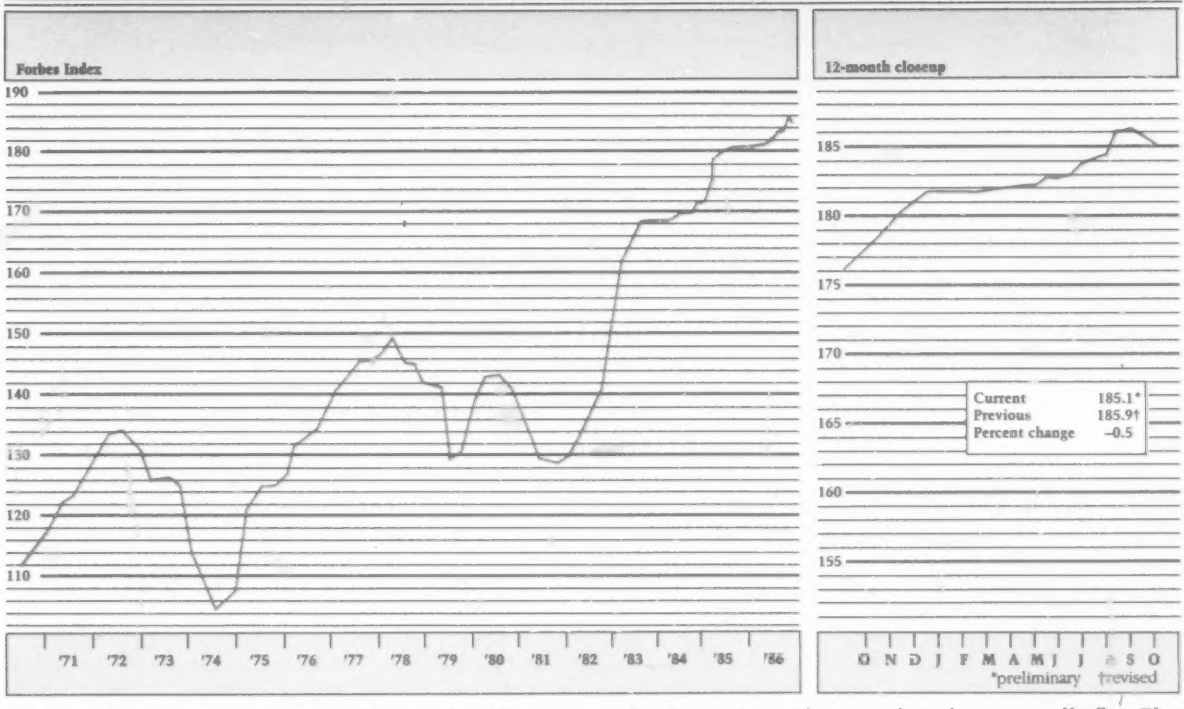
The Forbes Index



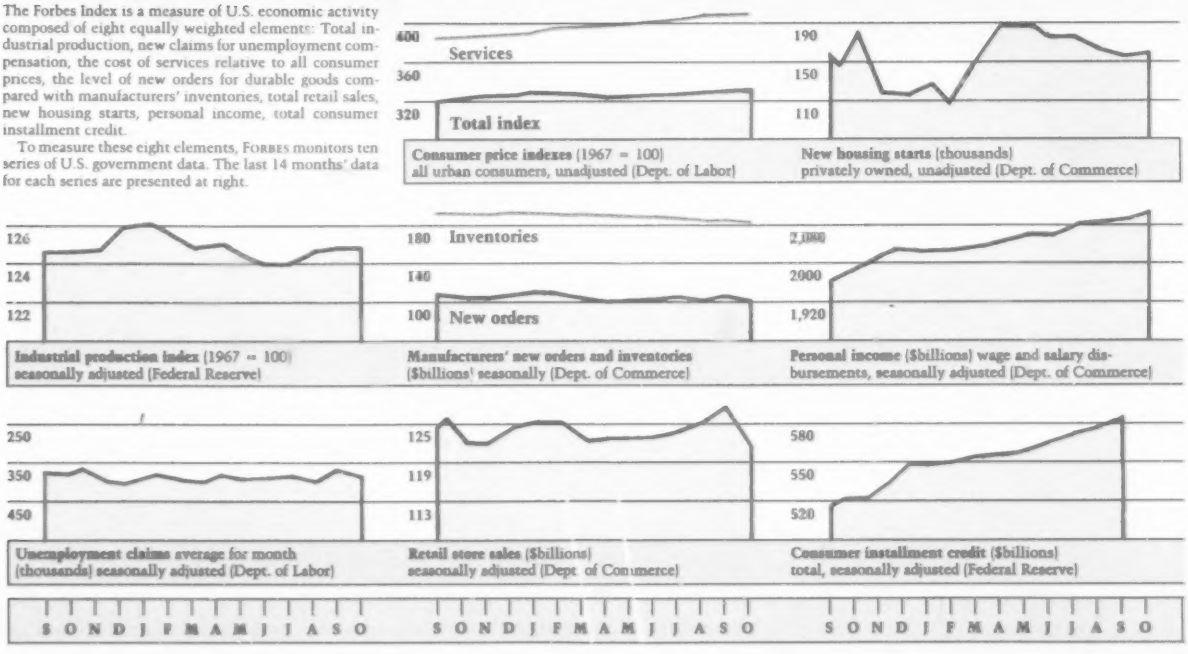
Bad news for manufacturing. After six months of uninterrupted increases, the Forbes Index closed out October with a 0.5% decline. Why? Manufacturers' new orders for durable goods fell 5.1% from September to October, while inventories fell by only 0.4%. This is an ominous sign for the troubled industrial sector: The industrial production component is up only 0.2% since July.

On the positive side, prices have been virtually flat. The Consumer Price Index inched up just 0.1% in October and is currently increasing at an annual rate of less than 2%. Despite the low inflation rate, however, the Federal Reserve, concerned about weakening the dollar, will probably wait for West Germany and Japan to lower their interest rates before cutting the discount rate.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Personal Affairs

Edited by William G. Flanagan

For as little as $4,000 extra, you, too, can appear sexy or unpredictable behind the wheel. Or maybe just chilly and windblown.

Return of the ragtop

By Jerry Flint

When Lee Iacocca was thinking of reviving the convertible a few years back, he drove a prototype around town one summer. It was like being young again, he says. Girls tried to climb in, uninvited. Crowds gathered around the car at the shopping center. "You would have thought I was giving away $10 bills," he said. That was enough for Iacocca. Chrysler decided to skip the research, and, back in 1982, the American convertible was born again.

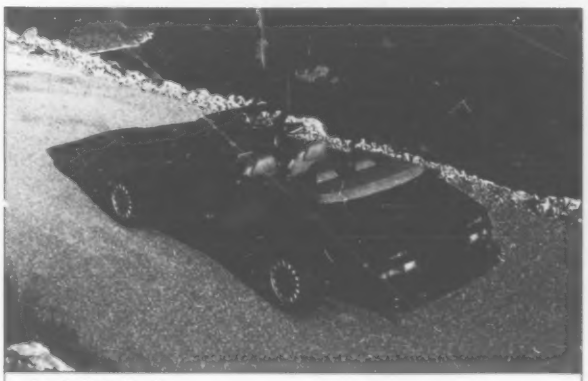
Its success is history. Chrysler has been selling 37,000 convertibles a year. Competitors itched, then imitated. About 100,000 American convertibles were sold this year. In 1987 there will be at least 20 American and foreign convertibles in showrooms, including many brand-new models, ranging in price from $13,000 to $168,000 *(see table, p. 101)*. With imported convertibles, sales are expected to exceed 135,000 cars. Sales of near-convertibles—T-tops, open jeep-type vehicles, etc.—are expected to total another 150,000 or so.

But Chrysler is hardly standing still while the competition gets rolling again. It has very high hopes for its all-new LeBaron convertible, designed as a convertible from the ground up—and the top down.

Given the market's enthusiasm, why did the convertible all but disappear from American roads in the first place? Historically, of course, open cars preceded those with permanent tops; it wasn't until the 1920s that steel roofs became standard. But the

Chevy Camaro IROC-Z

Chrysler LeBaron



Saab 900 Turbo

Mercedes 560SL

Stock convertibles

Social commitment, safety concerns and air-conditioning all but wiped out U.S. assembly-line convertibles a decade ago. In 1987 manufacturers expect to sell over 135,000 in the U.S.

Model	Est 1987 price (fully equipped)	Est 1987 volume
U.S.		
GM		
Cadillac Allante (Feb)	$50,000	7,000
Chevy Camaro IROC-Z (Jan)	20,000	NA
Chevy Cavalier	15,000	5,500
Chevy Corvette	35,000	6,000
Pontiac Sunbird	16,000	3,000
CHRYSLER		
LeBaron (spring)	18,000	25,000
Maserati (fall)	30,000	5,000
FORD		
Mustang	16,500	19,500
AMERICAN MOTORS		
Renault Alliance	13,000	2,500
Imports		
Alfa Romeo Spider Veloce	17,500	4,500
Aston Martin Volante	138,000	50
Imports		
BMW 325i (spring)	$30,000	10,000
Ferrari cabriolet	74,400	200
Jaguar XJ-S	47,000	2,500
Maserati Spyder	34,000	700
Mercedes 560 SL	58,000	11,500
Porsche 911 cabriolet	47,000	2,500
Rolls-Royce Corniche II	168,000	250
Saab 900 Turbo (spring)	28,000	2,000
Toyota Celica	18,000	5,000
Volkswagen cabriolet	14,000	14,000
Near-convertibles		
Nissan Pulsar	13,000	60,000
Porsche 911 Targa	42,500	1,900
Suzuki Samari	8,000	65,000
Toyota Supra Sports Roof	25,000	NA

NA: Not available.

American Motors' Renault Alliance

Volkswagen cabriolet

Ford Mustang

Alfa Romeo Spider Veloce

Cadillac Allante

open car—the convertible, roadster, cabriolet, sports car, whatever the name—still had a cachet that never really died. By 1965 half a million convertibles were being made in the U.S., the most ever, accounting for 6% of total production.

Yet a decade later the assembly-line convertible was dead, wiped out as if by some monstrous disease. Some auto analysts cite social change—convertibles didn't turn on a generation struggling with Vietnam, drugs and commitment. Air-conditioning, cheaper and more efficient, surely played a role. So did 70mph speeds, leaks and rattles, vandalism and special safety standards that automakers were reluctant to meet and buyers were loath to pay for. So Detroit had to give up the ragtop.

But not all the auto-buying public. Diehards kept independent auto shops busy shearing off roofs and otherwise modifying all kinds of hardtops, and they still do. In southern California, for example, R. Straman Co. says it renders topless about 1,500 cars a year, ranging from the Honda CRX ($5,000) to the Cadillac Eldorado ($10,000) to the Rolls-Royce Silver Spirit ($75,000).

Here's a year-end gift idea that will keep on giving in years ahead and is doubly blessed by the taxman.

Give like a Rockefeller

By Barbara Kallen

IF YOU ARE IN THE 50% tax bracket and are used to making charitable donations of at least $2,000 per year, this could be an excellent time to set up your very own charitable foundation. Reason? Contributions made before the end of 1986 will be worth more to you, in tax savings, than gifts m the future. So financial advisers are urging their better-heeled clients to set up their own foundations—formally styled Section 501(c)(3) organizations—before year-end. Here's how it works:

Jane Smith, who earns over $200,000 per year and consistently gives to charity, establishes the Jane Smith Foundation by putting $60,000 in cash into a trust. In 1986 Smith can write off the entire $60,000, in her 50% tax bracket that's a $30,000 cut in her tax bill.

Every year thereafter, she, as trustee, is required to pay out at least 4.925% of the trust's fair market value to the charities of her choice.

If you set up your foundation using cash, Uncle will let you deduct a maximum of 30% of your adjusted gross income this year. Hence the $60,000 amount for Jane Smith's foundation. If you use securities to establish your foundation, the maximum amount you can deduct is 20% of your annual gross income.

Why the urgency? With the maximum federal tax rate being phased down from 50% this year to 38.5% in 1987 and then to 28% in 1988, the tax benefits of establishing a foundation now far exceed the tax benefits of making charitable donations in increments over a period of years. You're letting Uncle Sam underwrite a larger portion of your generosity.

Says Daniel E. Carper, national sales manager at Lord, Abbett & Co., who is busy setting up many such foundations for his clients, "For people who fit the profile—high income, high net worth, disposed to giving—I don't even have to do a sales job. It's obviously to their advantage."

Another plus, admits Carper, is that clients like the heady feeling of having their own foundation. "Makes them feel like a Rockefeller," he says.

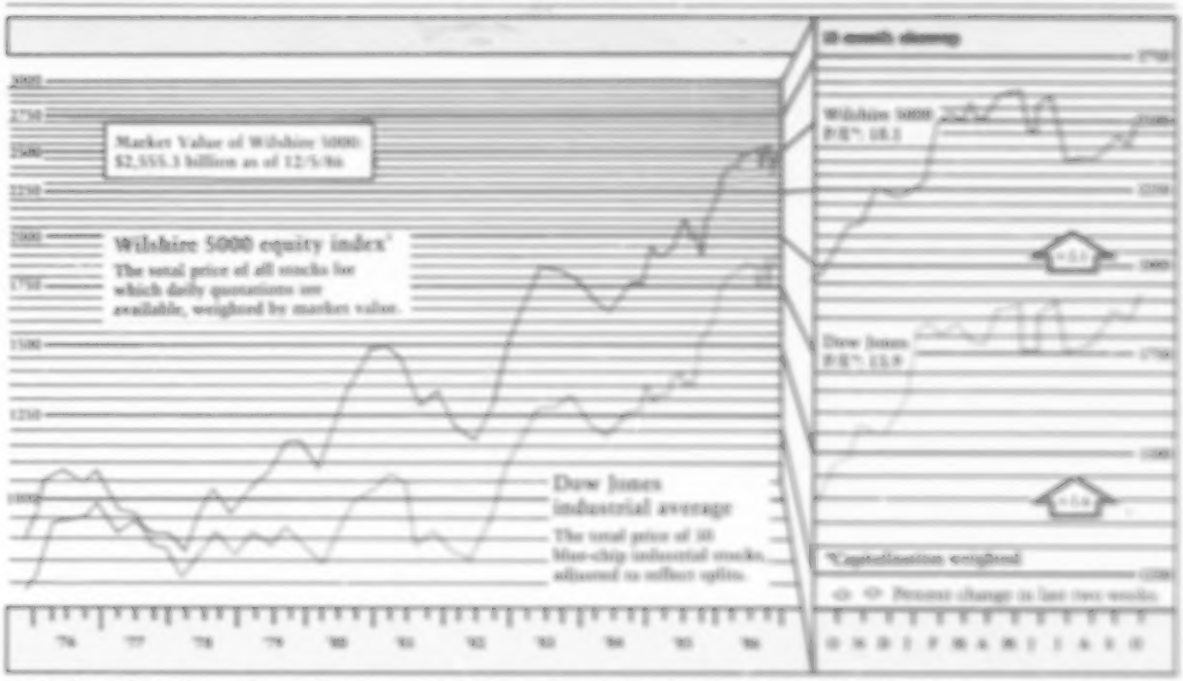
Contributions to the trust can come from appreciated securities, including mutual fund shares. And with the maximum federal long-term capital gains tax increasing to 28% in 1987, contributions of appreciated securities may make sense. You can write off contributed stock at market value, of course.

Trust money may be invested in any prudent vehicle—stocks, mutual funds, bonds. What you may not do is invest in what the IRS calls "jeopardizing investments." The Service will take a close look at trading in securities on margin, trading in commodities futures, investing in oil and gas leases, buying puts, calls and straddles, buying warrants and selling short. If it decides any of these investments are imprudent, you may be forced to pay an excise tax. Another investment consideration: Some degree of liquidity is necessary, since the trust must make those annual distributions of just under 5% or pay an excise tax. Charitable foundations must also pay excise taxes of 2% net income.

The IRS is dead serious about this money being dedicated to charity. Once you establish a charitable foundation, there is no getting your money back. "If you think you might go broke in the future," says Carper, "it's not for you."

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Little fear of heights. The market worried, but not for long, about insider trading scandals. Then stock prices began climbing again. During the two-week period the Dow industrials closed one session at 1955, an all-time high. The Dow then lost some 30 points to finish the two-week stretch with a modest 1.6% gain, but a 2000 Dow is not unthinkable.

The big winners hitherto had been blue-chip stocks. Both the Forbes Sales 500 and S&P's 500 hit new highs before backing off slightly. The NYSE, too, finished within 1.4% of its early September peak. But now secondary shares are also showing signs of life. The Nasdaq racked up a 2.3% two-week gain, although this still leaves the Nasdaq some 11.7% off its early July peak. There could be some catch-up opportunities in secondary shares—assuming the rally is for real. On the other hand, the Wilshire 5000, now selling at 18.1 times latest 12-month earnings, is not cheap.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500*	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	1.3	1.9	2.0	1.1	0.0	0.1
in last 52 weeks	21.0	18.7	30.1	22.0	10.2	16.6

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility†		P/E multiple		Dividend yield		Growth profile‡		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $6
in last 4 weeks	1.3	0.6	-0.5	0.0	0.7	-0.4	-0.7	0.3	-1.0	0.2	0.0	-0.2
in last 52 weeks	26.0	37.4	55.1	27.5	16.1	16.3	20.5	32.0	19.0	35.2	19.9	32.0

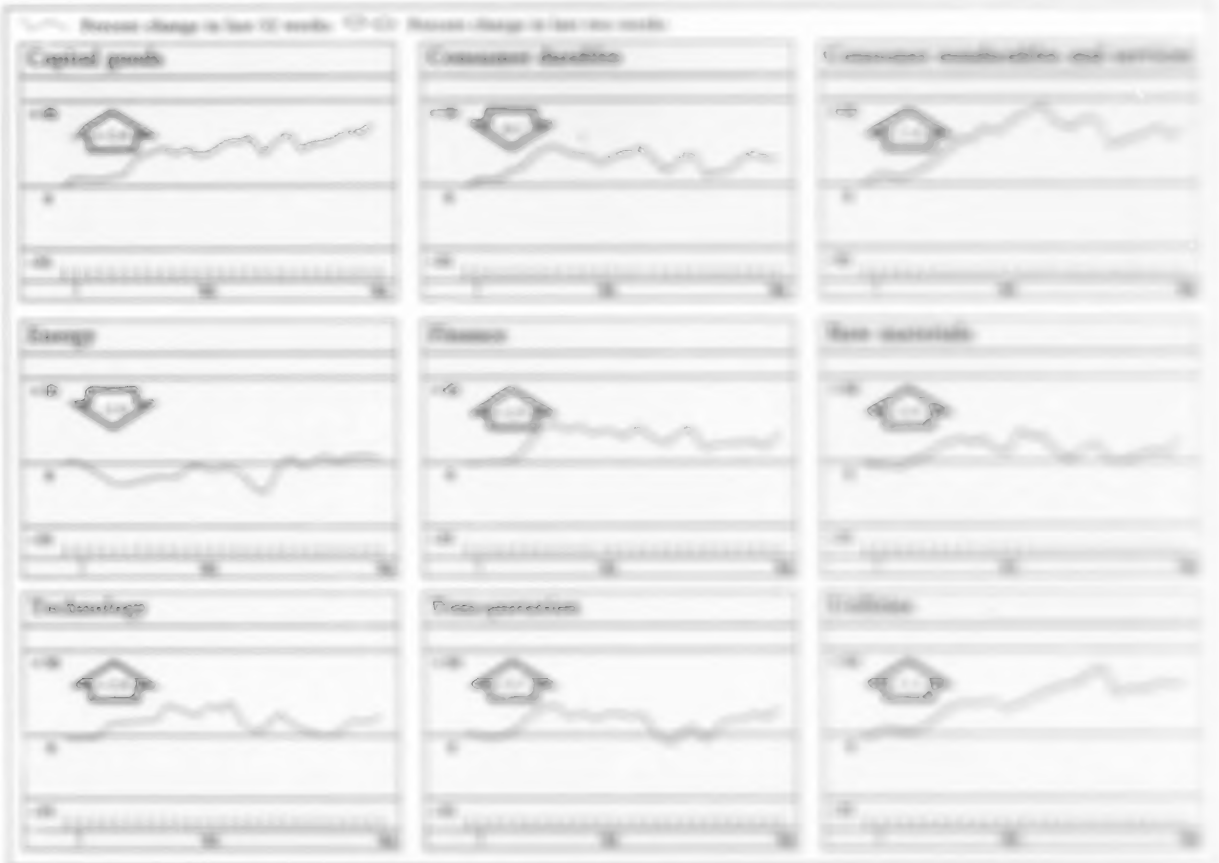
*Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of reinvestment of equity cash; index was created. †Based on index. ‡A stock's sensitivity to overall market movements. High-volatility issues have wide price fluctuations. Low-volatility issues are more stable. §A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 12/5/96. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Winners and losers. Sector leaders and laggards are unlikely to change much before year's end. Consumer nondurable issues show the best gain. The group is up 22.4% over the last 52 weeks. In second place are utilities, with a 20.2% increase. With falling interest rates, electric companies have been popular, but the Bell spinoffs have also boosted the utility group. Near the middle of the pack are consumer durables, up 26.1%. Raw materials, with a 30.6% gain, are paying the 11% gain of the market as measured by the Wilshire index.

Technology and energy are currently tied for last with only a 5.2% increase. In the months ahead, however, there may be more opportunities in these neglected groups than with previous market favorites.



What The Analysts Think

Hope they're right this time. Judged by what the analysts predict for 1987 earnings, The Forbes Sales 500 are trading at a multiple of only 11.9. But these forecasters have spent the past year cutting earnings projections. To get a robust performance in 1987, investors will have patience with the prospects around the corner may

Forecasting the Forbes 400		
Performance period	Average earnings per share	P/E
latest 12 months	$5.79	16.6
1986 estimates	6.03	16.2
1987 estimates	6.76	14.9

Stock based on change in estimates	Sector	Estimated 1986 EPS	P/E	% change in 1986 estimate	

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JANUARY 12, 1987 THREE DOLLARS FIFTY CENTS

Forbes

39th ANNUAL REPORT ON AMERICAN INDUSTRY

THE YEAR'S STAR PERFORMERS

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Forbes

39th ANNUAL REPORT ON AMERICAN INDUSTRY: THE STAR PERFORMERS

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January 12, 1987 Volume 139 Number 1 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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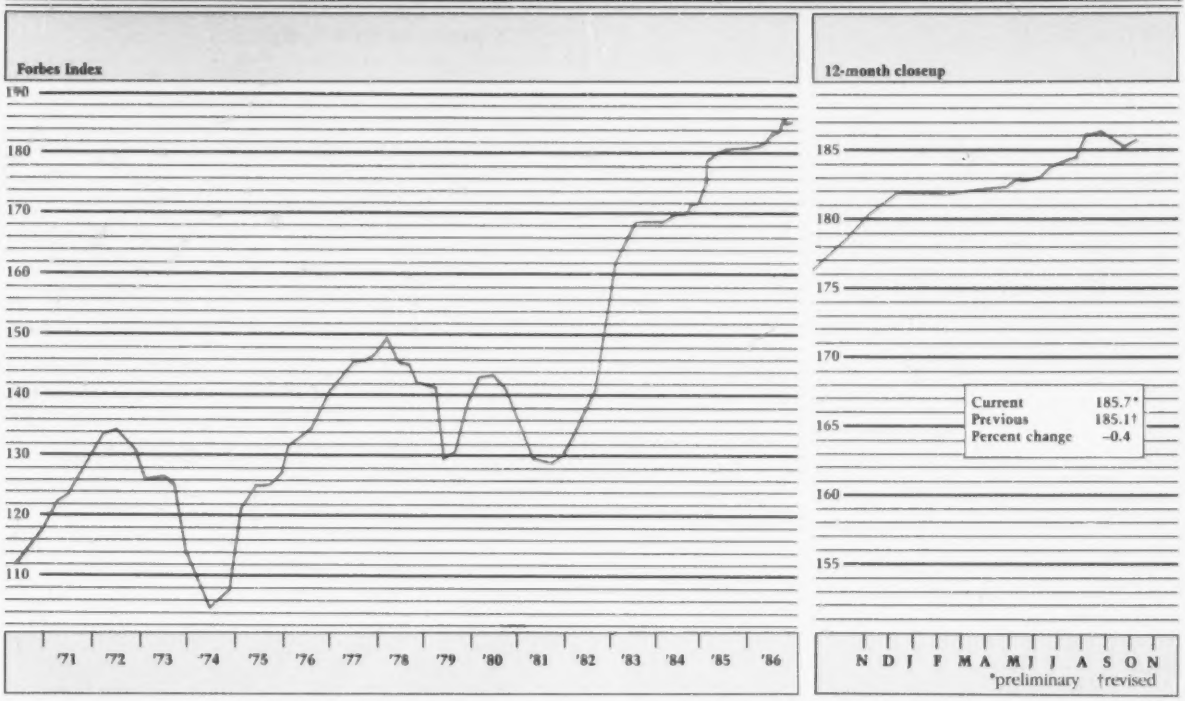
The Forbes Index



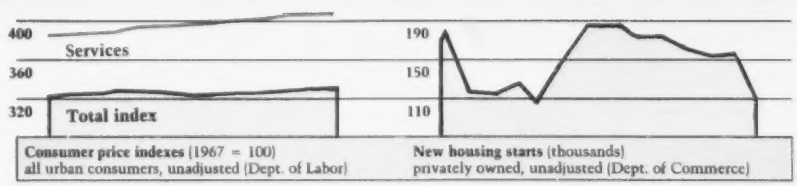
'Tis the season to beat Uncle Sam. After falling 0.5% in October, the Forbes Index got back on track, rising 0.4%. Retail sales increased 0.5% in November. Consumers rushing to buy big-ticket items before year's end boosted holiday spending. That's because state sales tax will no longer be deductible in tax year 1987. Meanwhile, industrial production and personal income posted respective gains of 0.6% and 0.5%. The increase in industrial production came from strength in nondurable materials, home furnishings and defense equipment.

The bad news? The construction industry is in trouble *(see p. 108)*. New housing starts, probably the brightest bulb in a dim circuit, plunged 24.6% in November and now stand some 6% lower than they did one year ago.

The Forbes Index Components

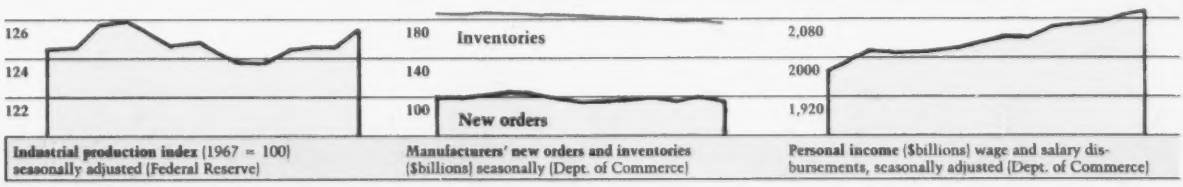
The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)

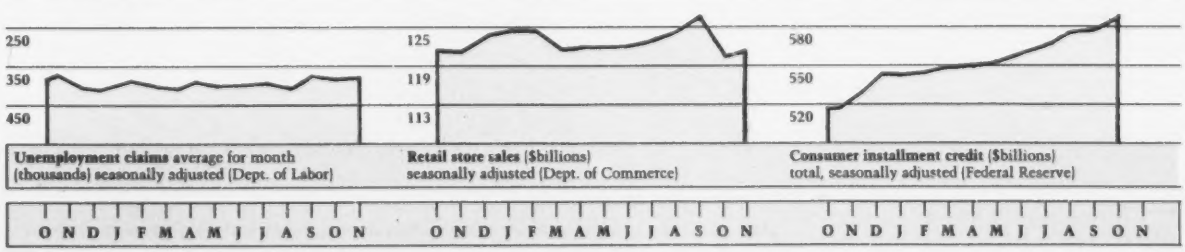
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)

Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)

Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

39TH ANNUAL REPORT ON AMERICAN INDUSTRY

Where to find the Yardsticks

Growth rankings, p. 214
Stock market rankings, p. 228
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Industry median rankings, p. 258
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In this, FORBES' 39th Annual Report on American Industry, we add an important new feature. In addition to ranking companies by individual financial ratios, such as return on equity and earnings growth, FORBES is selecting each industry's most improved company of the year.

Apple Computer, for example, is our company of the year in computers. Why Apple, and not Data General or Datapoint or Honeywell? For starters we asked our computers to find corporations in each industry with the best overall growth in return on equity, sales, earnings and profit margins. We looked for 12-month figures that were exceeding five-year averages, and compared individual corporate performance to industry medians. We programmed the computer to discount dramatic percentage jumps that resulted from numerical quirks such as unusually low starting points. That means we didn't pay much attention to Burlington Industries in the textiles group, for example, a firm whose latest 12-month return on equity jumped from 1.1% in our last report to 5% in this report. A 5% return on equity is not much to brag about, especially compared with an all-industry median of 13%.

While other business magazines tend to rely heavily on statistical "rankings" generated by computer alone, FORBES made a point of factoring human judgment into each award. Were high returns the result of a reduced asset base? A one-time shot in the arm from liquidating much of the

Richard Williams

company? If so, the firm was disqualified by our editors. And what about competition, good management or new products? No computer can sensibly evaluate such considerations, all of which are integral to any improving company. We also contacted companies, competitors and Wall Street analysts. Thus the final selection of each most improved company was a matter of human judgment—aided, but not controlled, by our computers. Apple's return on equity for the latest 12 months was 26.9%, well below its five-year average of 44.6%, but margins are rising again and the Macintosh is making inroads into the business world. *(See "most improved" list below.)*

Our industry survey analysis of long-term and short-term profitability, growth in sales and earnings and stock market performance helps explain the mergers, acquisitions, divestitures and bankruptcies that continue to change corporate America. The statistics show who is growing and who is shrinking, who is recovering and who is leveraging to dangerous levels. Since any sensible evaluation of performance begins by comparing companies in similar lines of work, we list corporations by industry group and rank each company against firms in the same business. Elsewhere we show how each ranks against the 1,011 other firms in this survey.

This year 86 corporations were added, while mergers, LBOs, liquidations and downsizing eliminated 78. Included are companies whose stock was publicly traded as of Nov. 18.

By our rules, a firm can be classified in as many as three separate industry or subindustry groups. Details follow on the calculation of each Yardstick statistic. ■

Most improved companies

Industry	Company	Survey page	Chief executive or chairman	Stock price 5-year high–low	Stock price recent	Return on equity 5-year average	Return on equity latest 12 months	Latest 12 months sales (mil)	Latest 12 months net income (mil)
Aerospace and defense	Lockheed	64	Lawrence O Kitchen	60⅛–14½	50	39.1%	27.9%	$10,145	$426.0
Air transportation	NWA	66	Steven G Rothmeier	61⅛–22¼	56½	5.0	6.4	3,072	65.2
Apparel, shoes and textiles	Kellwood	68	William J McKenna	38¾– 4	36⅛	11.7	17.7	516	20.7
Automotive	Ford Motor	71	Donald E Petersen	63½– 7⅛	55⅛	14.6	26.5	60,550	3,220.3
Banks and thrifts	Wells Fargo	74	Carl E Reichardt Jr	115 –18¼	104½	13.7	15.3	3,676	244.2
Beverages and tobacco	Loews	78	Laurence A Tisch	72⅜–10⅝	61¼	22.9	22.9	7,721	558.9
Chemicals	Monsanto	93	Richard J Mahoney	79 –28¼	73	8.7	1.0	7,064	40.0
Coal	Nacco Industries	97	Otes Bennett	29¾– 6¾	27¼	18.1	22.8	597	36.8
Communications media	Harcourt Brace Jovanovich	99	William Jovanovich	38¾– 4⅛	30	14.7	22.0	1,066	71.1
Computers and electronics	Apple Computer	101	John Sculley	63¼–11	35⅝	44.6	26.9	1,902	154.0
Conglomerates	ITT	106	Rand V Araskog	59½–20⅝	52	9.0	5.7	13,332	377.2
Construction	Ryland Group	108	CE Peck	27⅜– 2⅝	18	17.2	28.8	635	24.1
Consumer products	Colgate-Palmolive	114	Reuben Mark	43⅛–15	39¾	12.4	13.7	4,884	114.0
Electrical equipment	Westinghouse Electric	116	Douglas D Danforth	60¼–10⅞	56⅛	15.8	19.8	11,082	650.7
Electric utilities	Consumers Power	120	Wm T McCormick Jr	21⅞– 4⅛	16	4.3	def	3,168	–237.4
Financial services	Federal National Mortgage	126	David O Maxwell	39½– 7⅛	33⅞	def	11.3	10,634	152.5
Food distributors	Kroger	130	Lyle Everingham	35 –11⅝	29	15.7	7.4	16,994	90.1
Food processors	General Mills	134	H Brewster Atwater Jr	47⅜–14¼	40	NA	25.8	4,712	193.7
Health	Becton Dickinson	140	Wesley Howe	61¼–15⅜	47¾	11.8	15.6	1,312	111.9
Heavy equipment	Caterpillar	146	George A Schaefer	57½–28⅜	37½	def	10.1	7,351	311.0
Industrial and office services	Computer sciences	148	William R Hoover	39¾–11	37¾	14.9	12.3	925	27.6
Insurance	Fireman's Fund	154	William McCormick	44½–25¾	32⅞	NA	12.8	3,528	171.1
Leisure and recreation	Walt Disney	158	Michael D Eisner	54⅞–11¼	40⅜	8.7	19.9	2,471	247.3
Metals	Phelps Dodge	162	George B Munroe	34 –12⅞	17¾	def	3.2	860	37.8
Natural gas	Panhandle Eastern	164	Robert D Hunsucker	27⅝–24¼	25⅞	14.1	def	2,461	–421.0
Oil	Chevron	198	George M Keller	47⅛–23½	45⅝	13.1	9.0	28,842	1,402.4
Packaging	Brockway	202	John A Winfield	22½– 6⅜	26⅛	5.1	13.1	1,064	29.6
Paper	Georgia-Pacific	204	T Marshall Hahn Jr	40½–13¼	36	5.3	10.3	7,032	246.0
Retailing	The Gap	206	Donald G Fisher	45½– 1⅝	42⅛	20.3	31.5	746	47.0
Surface transportation	Arkansas Best	210	Hugh L Hembree	25⅜– 3¼	23¼	10.0	21.5	665	20.3
Telecommunications	Alltel	212	Weldon Case	45 –15½	41⅜	14.9	15.4	693	77.7

def: Deficit. NA: Not available.

Yardsticks of management performance														
		Profitability					Growth							
		Return on equity					Sales			Earnings per share				
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability	

SEGMENT SALES AND PROFITS

The segment sales and profits column shows the percentage of a company's sales and profits derived from a particular industry and are based on a company's most recent annual report. Although most firms provide segment data in this format, numbers in these columns may not add up to 100%. A bullet appears if 90% or more of sales or profits are within a particular segment. Line-of-business breakdowns can differ from company to company. And FORBES' segment definitions may also vary from company designations.

PROFITABILITY

Return on equity is defined as primary earnings per share, divided by common shareholders' equity per share at the beginning of the year and expressed as a percentage. For common shareholders' equity we assume conversion of all convertible preferred stock at the start of each year. The difference between the stated value and the involuntary liquidating value of nonconvertible preferred shares is subtracted from equity. For the purposes of this issue, FORBES uses earnings per share before extraordinary items. Gains or losses from discontinued operations are included in calculating per-share earnings.

TIME PERIODS

A five-year growth rate requires six years' worth of data. For firms with fiscal years ending in April through December, growth rates are necessarily based on the fiscal years through 1985. For companies with fiscal years ending in January through March, five-year averages include the fiscal years through 1986. An average can be computed if at least four years' data are available; these are marked with a footnote. When data are not comparable or are unavailable, the growth rate is marked NA (not available). Latest 12 months' comparisons are between the four quarters through September 1986—when available—and the same four quarters of the previous year. In the case of return on equity, income is divided by the prior year's equity figure. Periods vary slightly for companies with fiscal years not ending in December.

GROWTH RATES

We use the least-squares method to describe the average year-to-year change in sales or earnings. This equation adjusts for sharp fluctuations. Example: Over three years a firm's earnings go from $1.00 to 50 cents, and then to $2.00. That's a 50% decline from the first to the second year, and then a 300% jump in the third year. But least-squares says, on average, earnings grew by 41.4% ($1 x 41.4% x 41.4%). This method, however, cannot handle negative values. If first- or second-year earnings are negative, FORBES calculates the growth rate for a shorter period of time, starting at the first positive year. If earnings are negative in any of the last four years, as is often the case with cyclical stocks, the growth rate is reported as not meaningful (NM).

EARNINGS STABILITY

While the five-year earnings growth rate describes how much earnings grew on average, it may not reflect how much volatility there was in earnings over this period. In the example above, the company with the 41.4% growth rate did not have as stable an earnings trend as a company that went from $1.00 to $1.41 to $2.00. But both firms would show the same 41.4% growth rate. The earnings stability factor, or a coefficient of determination, describes how much earnings fluctuated over five years. Companies with stability ratings in the top 15%, such as Pillsbury, are designated Very High, those in the next 20% High, the middle 30% Average, and so on.

DEFINITIONS

FORBES defines sales as net sales plus other operating revenue. For banks, sales is defined as total interest income plus other income. Net profit margin covers the latest 12 months. It measures net income as a percentage of net sales, including other operating income. Debt as a percentage of equity is calculated using the latest balance sheet data available. It is defined as long-term debt, including capitalized leases, divided by total equity (including preferred equity).

Medians for all Yardstick components are calculated by listing companies in rank order and selecting the midpoint. When there is an even number of companies, the midpoint is obtained by averaging the two middle firms.

This 39th industry survey shows clearly and concisely which companies have been doing their homework over the past five years and which corporations need to knuckle down and crack open the books. Industry reports, appearing alphabetically, begin on page 64; sales and earnings growth rankings of all 1,012 companies begin on page 214; profitability rankings start on page 252. Five-year stock market performance tables start on page 228. On page 262 is an alphabetical cross-reference index of all the companies in this survey.

AEROSPACE AND DEFENSE

On balance it was a good year, with lots of orders and not many cuts in defense spending. But for how much longer?

By Howard Banks

IT WAS SHOCKING enough that the Shuttle Challenger blew up, throwing the U.S. space program into turmoil. But as 1986 progressed, the same defense and aerospace industry that had until then been one of the most profitable sectors of the entire economy clearly began to lose its luster. Why?

For one thing, the great spending surge of the Reagan defense buildup, which pumped close to $1.5 trillion into defense and aerospace contractors over the last six years, finally peaked, with the result that the big earnings leaps of previous years have now begun to tail off. Meanwhile, those well-publicized stories about $400 hammers and sundry other Pentagon boondoggles have resulted in tighter price controls.

Finally, companies now have to spend more of their own money up front to compete for defense contracts. Thus, Boeing has had to invest $600 million of its own money in the development of a tilt-rotor assault plane for the Marines, which it is to build jointly with a Textron subsidiary, Bell Helicopter.

There's tough competition, too, in the civilian sector. Boeing has done well with its 747 jumbo and its smallest jet, the 737, but its midsize 757s and 767s suffered encroachments from Europe's Airbus, which significantly expanded its U.S. presence through Northwest Airlines' order for up to 100 of its new 160-seat A320s. The Europeans also plan to launch a government-funded long-range, four-engine design (the A340) for routes with too little traffic to fill a Boeing 747. That move could make it unprofitable for McDonnell Douglas to go ahead, as now seems certain, with an updated version of its three-engined DC-10, which will have new aerodynamics, more efficient engines and use two cockpit crewmen.

Perhaps the toughest competition of all came among the many smaller defense electronics companies, which have been getting less work than expected from President Reagan's Strategic Defense Initiative. Why? One important reason is that most major contractors have chosen to retain control over the electronics in their weapons systems rather than subcontract the work to outside firms. Thus, Lockheed's purchase of Sanders Corp., a leading microelectronics firm, for $1.2 billion is likely to be followed by other takeovers. The alternative tactic, adopted by Boeing after it was beaten by General Motors in the race to acquire Hughes Aircraft, is to build an electronics capability from scratch. It's not yet clear which will be more cost effective.

With margins now under pressure, individual aerospace firms will confront a number of important questions as 1987 unfolds. For example, the Air Force may compel Rockwell International and other major subcontractors to absorb a large part of the cost of bringing the B1-B bomber up to operational

Most improved

If numbers were all that mattered, Westinghouse Electric, with a one-fifth rise in per-share earnings in 1986, would arguably be this industry's most improved company for 1986. But Lockheed Corp., with admittedly somewhat less impressive numbers, gets the nod instead. Why? Because under its new chairman, Lawrence Kitchen, Lockheed has once again become the most aggressive and successful marketer of new products in the industry. Lockheed already enjoys a high and consistent return on equity—and a steady increase in per-share earnings—since the termination of the loss-burdened Tristar airliner project. In time, the contracts and acquisitions brought home by Kitchen will keep earnings, now likely to top $6 per share for 1986, rising still higher no matter what the

Blake Little/Visages

Lockheed Chairman Laurence Kitchen

prospects for aerospace as a whole. Says he, "We have a strong base with programs like the Trident missile, and now we're adding new programs." Acquiring Sanders added heavily to debt. But, says Kitchen, "It will be paid down in three or four years and without hitting new investment or research and development spending."

The biggest game Lockheed bagged in 1986, a quarry of almost Brobdingnagian dimensions, was as prime contractor for one of two advanced fighter prototypes to fly in 1989 in a competition for a $45 billion Air Force contract. Beating existing top fightermakers like McDonnell Douglas and General Dynamics came on top of building the Stealth F-19 fighter, yet another payoff of the company's famed, highly secret Skunk works.

standard, a move that would depress earnings for the firm. Similarly, bankrupt LTV Corp. may be forced to shed its profitable aerospace business. One likely buyer, Allied-Signal, has announced plans to divest itself of seven electronics subsidiaries and hopes to raise up to $1 billion. And United Technologies is slimming its work force by 6% as it restructures to concentrate on core business like its Pratt & Whitney jet engine subsidiary. Cost: A $592 million fourth-quarter writeoff. In sum, for defense and aerospace companies, the easy profits of previous years are disappearing, and 1987 looms as a year of uncertainties in which the only constant will be working harder for less reward. ■

Aerospace and defense

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Lockheed	●/●	1	39.1%	27.9%	70.7%	4.2%	7	13.2%	8.6%	9	19.4‡‡%	11.7%	very high
EG&G	NA/NA	2	29.7	24.5	3.3	4.3	5	13.9	1.8	13	16.1	–7.1	very high
Teledyne	29/NA	3	26.5	18.4	35.9	9.0	33	2.3	–2.3	6	23.3	–41.1	average
Morton Thiokol	47/37	4	24.3	17.1	3.7	6.8	3	21.2	4.6	7	22.2	–31.6	average
General Dynamics	88/●	5	23.9	27.2	27.3	4.1	8	12.7	12.1	4	30.3	–8.1	high
E-Systems	●/●	6	21.1	14.3	20.2	4.4	4	14.9	16.8	5	28.4	–23.1	high
Rockwell Intl	76/71	7	19.8	21.1	19.6	5.0	12	10.2	8.5	11	16.9	3.0	very high
General Electric	NA/NA	8	19.8	17.4	29.7	7.7	34	2.0	15.0	15	9.7	3.7	very high
Rohr Industries	●/●	9	19.5	17.8	11.3	7.6	31	3.4	3.1	1	93.1	–6.6	very high
Litton Industries	70/●	10	19.3	7.4	144.4	1.6	36	0.4	–1.5	24	0.0	–65.3	very low
Raytheon	70/85	11	19.1	20.3	2.8	5.6	27	4.4	11.4	20	1.6	14.1	very low
Lear Siegler	33/ 9	12	18.5	9.7	34.3	2.4	14	9.7	7.1	17	3.9	–35.6	average
Loral	●/●	13	17.9	17.7	40.9	8.2	1	26.2	21.7	12	16.7	17.3	very high
Northrop	●/●	14	17.9	6.3	0.5	1.1	2	24.6	17.4	2	35.6	–76.4	average
Todd Shipyards	●/DD	15	17.8	def	87.0	0.1	46	–8.8	7.2		NM	P–D	NM
Boeing	●/●	16	16.9	15.2	5.8	4.2	19	6.5	22.6	18	3.5	26.7	very low
Colt Industries	34/36	17	16.8	26.0	76.2	6.9	42	–5.8	–13.4		NM	–20.4	NM
Tracor	67/31	18	16.3	2.0	69.5	0.6	9	12.5	10.3	22	1.2	–86.8	very low
Wyman-Gordon	●/●	19	16.3	def	6.6	def	45	–8.5	–13.0	34	–30.7	P–D	low
Kaman	47/76	20	16.0	16.4	13.8	3.5	17	8.0	4.0	10	19.0	7.0	very high
Westinghouse	18/NA	21	15.8	19.8	20.9	5.9	29	4.1	6.9	16	7.4	25.7	high
Grumman	85/78	22	15.4	11.4	57.8	2.3	11	11.6	11.3	3	34.2	–16.6	average
Sundstrand	62/86	23	15.0	13.5	51.4	5.7	26	4.5	15.9	30	–6.0	9.2	low
Computer Sciences	35/NA	24	14.9	12.3	24.5	3.0	21	6.2	19.5	19	2.7	–13.0	very low
United Technologies	50/50	25	14.2	10.9	37.5	3.0	24	4.7	2.0	29	–5.1	71.0	very low
Perkin-Elmer	23/35	26	14.1	10.3	12.0	5.3	28	4.3	–0.4	26	–0.9	–13.6	very low
Dynalectron	52/●	27	14.0	3.1	6.1	0.8	16	8.6	10.4	33	–11.8	–73.0	very low
Martin Marietta	83/69	28	13.9	28.5	28.1	4.3	15	9.7	8.6		NM	–10.3	NM
Parker-Hannifin	26/35	29	13.8	13.9	36.7	5.0	20	6.4	21.8	23	0.6	1.5	very low
McDonnell Douglas	●/●	30	13.7	10.6	22.0	2.3	10	12.4	11.6	8	19.8	–18.7	very high
Harris Corp	37/69	31	13.1	7.1	20.3	3.0	13	10.1	–8.7	32	–8.8	–7.7	average
TRW	42/NA	32	12.6	14.3	64.5	2.4	30	3.9	–0.7		NM	126.8	NM
FMC	39/55	33	12.0	16.1	NE	4.6	38	–1.0	–5.3	28	–2.2	236.1	very low
Honeywell	28/21	34	12.0	8.7	28.0	3.2	23	5.6	9.1	27	–1.7	20.4	very low
Harsco	35/65	35	11.9	10.3	24.4	4.2	35	1.6	–11.0	25	0.0	–21.9	very low
Hercules	32/64	36	11.6	13.8	29.8	8.0	37	0.3	1.7	21	1.4	33.2	very low
Textron	49/38	37	10.7	15.7	74.5	5.3	32	2.3	–14.3	14	12.2	22.6	low
Singer	65/47	38	8.7	17.9	28.9	4.7	39	–3.0	–22.5		NM	13.5	NM
Allied-Signal	44/47	39	6.9	def	57.7	def	6	13.8	12.9		NM	P–D	NM
GenCorp	25/36	40	5.8	10.5	20.7	3.3	18	6.7	5.4	31	–6.7	159.9	very low
Texas Instruments	28/NM	41	5.7	def	10.8	def	22	5.7	–7.4		NM	D–D	NM
Gould	28/PD	42	2.0	def	65.9	def	47	–8.9	–21.5		NM	D–D	NM
Gates Learjet	●/DD	43	1.5	def	196.4	def	44	–8.4	–17.3		NM	D–D	NM
Talley Industries	39/47	44	1.2	11.6	120.8	3.9	41	–5.2	4.8		NM	14.8	NM
Becor Western	39/●	45	def	1.5	24.0	0.7	43	–6.3	–1.9		NM	20.0	NM
Fairchild Industries	72/DD	46	def	5.2	63.8	2.1	40	–4.7	8.7		NM	D–P	NM
LTV	27/PD	47	def	def	2702.2	def	25	4.5	–5.6		NM	D–D	NM
Industry medians			14.9	12.3	28.1	3.9		4.7	5.4		0.6	–7.9	
All-industry medians			12.6	13.0	46.0	3.9		7.1	3.9		–0.9	2.8	

● 90% or more. **DD:** Segment deficit, total deficit. **PD:** Segment profit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. ‡‡Three-year growth. For further explanation, see page 61.

AIR TRANSPORT

It began as a year of record losses. But after years of rising, fuel prices finally began to fall. Meanwhile, traffic growth turned sharply upward even as continuing mergers concentrated more and more revenue in fewer and fewer companies. The result? Airlines wound up turning in a year of healthy profits after all.

By Howard Banks

THE SCHEDULED AIR CARRIERS in the first quarter of 1986 turned in a record $669 million operating loss. Big deal! By year's end the industry had racked up an eye-popping operating profit approaching $1.4 billion, matching the 1985 level. How come so massive a turnaround?

"It's a story of an industry that switched from a freewheeling, chaotic situation into a more controlled one," says First Boston analyst Michael Derchin. The spate of cost-cutting mergers begun in 1985 obviously helped. But the biggest single factor was the rise in the number of people flying—up 13% in the first ten months of 1986 over the same period of 1985. A result of the weakening U.S. dollar and fears about terrorism was that people flew less to Europe and more inside America.

The other major factor in the profits surge was collapsing petroleum prices, which, at an average of about 43 cents per gallon, are now close to half aviation fuel costs in 1985. According to George James, president of Airline Economics, that alone saved the industry $3.5 billion in operating expenses—savings that were in part passed on to passengers

Air transport

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Freight													
Federal Express	●/●	1	22.9%	12.7%	48.9%	4.6%	1	36.3%	26.1%	1	12.1%	17.7%	average
Emery Air Freight	●/●	2	20.8	def	66.2	def	2	10.8	1.1	2	–1.7	P–D	very low
Purolator Courier	76/DD	3	13.1	def	83.6	def	3	6.2	3.4		NM	D–D	NM
Pittston	36/DP	4	def	1.7	11.2	0.7	5	–13.0	0.7		NM	D–P	NM
Tiger International	●/DD	5	def	def	NE	def	4	–6.7	–3.0		NM	D–D	NM
Medians			**13.1**	**def**	**48.9**	**def**		**6.2**	**1.1**		**NM**	**P–D**	
Airlines													
Southwest Airlines	●/●	1	18.7%	10.0%	73.9%	6.2%	4	26.2%	18.8%	3	4.7%	–17.1%	average
Piedmont Aviation	●/●	2	17.8	12.1	43.9	4.0	3	26.7	21.1	2	5.1	–13.3	very low
USAir Group	●/●	3	16.3	8.9	43.1	5.1	6	13.0	2.7	4	1.9	–22.4	very low
AMR	●/●	4	10.8	11.6	83.7	4.5	8	9.8	0.2		NM	–27.4	NM
Delta Air Lines	●/●	5	10.7	5.4	66.7	1.6	9	8.5	–5.5		NM	–69.3	NM

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ††Three-year average. ‡‡Three-year growth.
For further explanation, see page 61.

Most improved

Steve Niedorf/Wheeler Pictures

Northwest Airlines Chairman Steven Rothmeier

Good as the year proved to be for most airlines, Northwest Airlines stood out from all the rest as the most improved civil air carrier for 1986. Under its chairman and chief executive officer, Steven Rothmeier, Northwest enjoyed not only the biggest jump in yield, up 7.5% during the third quarter, but saw return on shareholder equity rise 6.4% as the company's stock rose to a recent $62 on a 53% surge in net earnings over 1985 levels. Why the impressive results? Much of the improvement came from growth of traffic in Northwest's all-important Pacific routes, which saw passenger volume rise by 15% over 1985 as Rothmeier took advantage of lower costs to turn the competitive screws on rival United Air Lines (now flying the old Pan American routes). Now, with the $884 million acquisition of Republic, strong in the midwestern and western states, and a 50% interest in PARS, TWA's computerized reservations system (which will allow more precise control of fare discounts and wring more yield out of every mile flown), Rothmeier can look forward to equally impressive results in the year ahead from Northwest's stateside routes, as well. But is he satisfied? Not so you would notice. Says he, "Our earnings still don't reflect our potential."

through discounted fares.

Yet not even pricing skirmishes could slow the flow of dollars into airline coffers. Yield, the average fare achieved per mile, was actually 6½% down on 1985 levels as an incredible 90% of passengers took advantage of cut-rate fares. Lower prices produced higher volumes, and the profits kept rolling in. Now the trend will be to sell fewer seats at giveaway fares since each ½% improvement in yield adds some $250 million operating profit to the industry per year.

Continuing mergers throughout the industry bolstered these trends, helping carriers widen their margins even more. Northwest Airlines' acquisition of Republic gives it a grip on three important hubs—Minneapolis-St. Paul, Detroit and Memphis. Texas Air's acquisition of Frontier and People Express means reduced competition at Denver, with the promise of fatter profits for Texas Air in the process. TWA's acquisition of Ozark gives it a near monopoly at St. Louis. And American Airlines' purchase of Air California and USAir's of California-based PS Group suggest that the cost of breaking into an established market may now be so high that acquisition is the only option. If so, there will be more mergers. ■

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
PS Group	62/58	6	7.1%	0.2%	278.9%	0.2%	5	16.0%	18.3%		NM	–97.1%	NM
NWA	83/•	7	5.0	6.4	166.5	2.1	7	10.3	18.2	1	75.8%	–14.5	high
UAL	82/DD	8	3.5	2.3	131.1	0.5	10	6.5	42.0		NM	D–P	NM
People Express	•/DD	9	def†	def	NE	def	1	93.3‡‡	46.1		NM	D–D	NM
Pan Am	88/66	10	def	6.3	413.7	def	14	–2.3	–9.2		NM	D–P	NM
Eastern Air Lines	•/•	11	def	def	726.0	def	11	6.4	–5.9		NM	P–D	NM
Western Air Lines	•/•	12	def	def	173.0	0.7	12	5.2	–4.8		NM	P–D	NM
Texas Air	•/•	13	def††	8.1	419.8	1.7	2	37.8	16.9		NM	–89.2	NM
Trans World Airlines	•/DD		NA	def	674.8	def	13	1.9	–16.4		NM	D–D	NM
Medians			**5.0**	**5.9**	**148.8**	**1.2**		**10.1**	**9.8**		**NM**	**–79.3**	
Industry medians			**6.1**	**2.3**	**83.6**	**0.7**		**9.8**	**2.7**		**NM**	**–93.2**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

• 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ††Three-year average. ‡‡Three-year growth.
For further explanation, see page 61.

APPAREL, SHOES AND TEXTILES

In the apparel business, the new game is pick a niche and stick to it.

By Eva Pomice

IN 1986 APPAREL MAKERS ENCOUNTERED AN ENEMY in their midst: their customers. After years of flirting with the idea of manufacturing their own garments to save on costs, department and specialty stores in the past year began adopting the strategy in earnest, and apparel makers were the ones to suffer. Thus, while retail apparel sales were up about 7% in volume through September, shipments from apparel makers actually declined by 2%.

Though their stiffer inventory controls shielded manufacturers from the need for drastic inventory markdowns, consumer demand remained weaker than expected. "You're not going to have a broad-based, general-type boom," says First Boston's Margaret Gilliam, a retail and apparel analyst.

As consolidation among department stores and retailers continues to concentrate more buying power in fewer hands, apparel manufacturers now face a major strategic challenge:

Apparel, shoes and textiles

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Apparel													
Liz Claiborne	•/•	1	63.5%	49.2%	4.9%	10.7%	1	47.9%	42.7%	2	53.8%	39.6%	very high
NIKE	25/NA	2	40.8	16.6	11.8	5.0	2	27.9	0.9	7	–2.0	85.7	very low
VF	•/•	3	32.9	25.4	19.3	9.4	4	18.1	8.3	3	30.0	7.1	very high
Oxford Industries	•/•	4	18.0	8.7	13.9	2.1	5	17.1	–3.5	5	15.7	113.0	low
Hartmarx	42/73	5	13.9	8.1	22.4	2.6	6	10.3	–3.0	6	14.9	–36.5	very high
Kellwood	•/•	6	11.7	17.7	67.5	4.0	10	0.8	–10.6	1	132.8	12.1	very high
Phillips-Van Heusen	79/83	7	11.2	12.0	12.5	3.5	8	7.1	–8.4	4	24.9	41.0	high
Interco	36/32	8	9.6	8.6	15.9	3.9	10	0.8	–1.2	8	–6.9	52.3	average
Manhattan Industries	64/71	9	8.6	1.2	36.6	0.2	7	9.2	–21.7		NM	D–P	NM
Genesco	23/DP	10	def	def	135.9	def	12	–3.9	–5.0		NM	D–D	NM
United Merchants	26/17	11	def	def	263.1	def	9	1.6	–9.3		NM	D–D	NM
Leslie Fay Cos	•/•		NA	NE	86.4	3.1	3	20.9	23.2		NA	NA	NA
Medians			**11.7**	**8.7**	**20.9**	**3.3**		**9.8**	**–3.3**		**14.9**	**25.9**	
Shoes													
NIKE	75/NA	1	40.8%	16.6%	11.8%	5.0%	1	27.9%	0.9%	3	–2.0%	85.7%	very low
US Shoe	43/48	2	18.8	8.8	30.9	2.2	2	15.2	6.8	1	4.2	–31.7	low

• 90% or more. **DP:** Segment deficit, total profit. D–D: Deficit to deficit. D–P: Deficit to profit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see page 61.

Most improved

William McKenna of Kellwood Co. James Schnepf/Wheeler Pictures

There are few companies that have straddled the apparel market's diverging trends better than St. Louis-based Kellwood Co. On sales of $516 million, Kellwood saw its earnings per share jump 12% during 1986, while return on equity held firm at a respectable 17.7%, well above the industry average.

That achievement made Kellwood, under President and Chief Executive Officer William McKenna, the most improved company in the apparel group in 1986.

As a major private-label manufacturer, Kellwood has clout with retailers. Half its sales go to Sears. Its Hong Kong subsidiary, Smart Shirts, which provides almost half of operating profits, and four new Caribbean plants greatly diminish the threat of foreign imports. And now, by divesting itself of such sideline businesses as a camping equipment manufacturer and a regional off-price retailing chain, while concentrating instead on a series of rapid acquisitions in ladies' and young people's wares, the company has become a niche marketer as well. "We have bricks and mortar in the old Kellwood," says McKenna. "Acquisitions will broaden our customer base and give us marketing knowhow."

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Brown Group	32/NA	3	15.7%	11.9%	38.8%	3.2%	3	3.6%	–4.1%	2	–0.2%	51.0%	very low
Genesco	30/40	4	def	def	135.9	def	4	–3.9	–5.0		NM	D–D	NM
Medians			**17.3**	**10.4**	**34.9**	**2.7**		**9.4**	**–1.6**		**–1.1**	**9.7**	
Textiles													
Collins & Aikman	79/65	1	19.2%	19.2%	24.3%	5.9%	2	14.2%	6.7%	1	43.7%	4.1%	very high
DWG	27/ 4	2	13.1	def	505.7	def	1	31.2	3.4	4	–13.4	D–D	very low
West Point-Pepperell	37/DP	3	11.3	9.2	46.2	3.0	5	0.4	50.6	3	–4.8	48.7	very low
Celanese	48/56	4	10.8	22.2	42.7	7.0	8	–2.2	–5.4		NM	43.4	NM
Springs Industries	46/DP	5	8.8	5.3	60.9	1.6	3	3.8	65.6	2	1.8	52.6	
Burlington Inds	56/ 0	6	5.8	5.0	33.2	2.0	6	–0.6	–0.9	5	–26.6	356.8	average
JP Stevens	37/20	7	0.9	7.9	34.3	2.3	7	–1.1	–10.8		NM	D–P	NM
United Merchants	41/12	8	def	def	263.1	def	4	1.6	–9.3		NM	D–D	NM
Medians			**9.8**	**6.6**	**44.5**	**2.2**		**1.0**	**1.3**		**–20.0**	**43.4**	
Industry medians			**11.3**	**8.7**	**35.5**	**2.8**		**5.5**	**–2.1**		**–2.0**	**39.6**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

● 90% or more. **DP:** Segment deficit, total profit. D–D: Deficit to deficit. D–P: Deficit to profit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see page 61.

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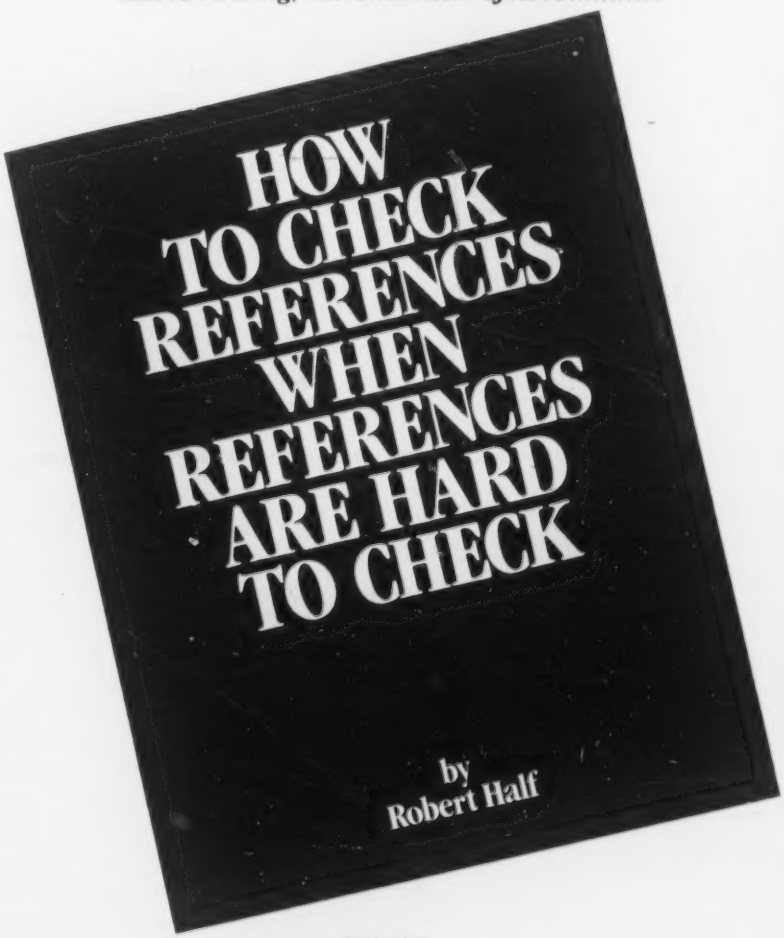

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Either grow big, fast, or seek out niche-like marketing opportunities that are beneath the radar of larger competitors. In short, 1986 saw the continued disappearance of the middle ground.

Among the largest manufacturers, V.F. Corp. (1985 sales $1.4 billion), maker of Lee jeans, increased its muscle with retailers through a $732 million acquisition of Blue Bell, manufacturer of Wrangler jeans. Now equal in size to longtime leader Levi, V.F. can improve on an already successful strategy: producing lots of what retailers buy in tons—commodity items like jeans and fleece sportswear.

Liz Claiborne, new to our list, grew meteorically from a small base by zeroing in on the working woman's market, and scored an impressive 49.2% return on equity. More than 85% of Claiborne's moderately priced designer clothes are made abroad, insulating it from import pressures. Now Claiborne is trying to beat retailers at their own game by opening up a string of stores in 1987.

By divesting itself of such sideline businesses as a camping equipment manufacturer and a regional off-price retailing chain, while concentrating instead on rapid acquisitions in ladies' and young people's wares, Kellwood has become a niche marketer as well. "Acquisitions," says McKenna, "will give us marketing knowhow."

At the bottom of the apparel chain, textile manufacturers are fast learning the clothingmakers' most important lesson: Only the biggest or the most specialized survive. Unable to stem the flood of cheap imports, textilemakers in 1986 began banding together to concentrate on high-margin niches like home furnishings and auto fabrics. During the year Burlington and J.P. Stevens acquired new businesses in these fields. Collins & Aikman, a specialty manufacturer with an enviable 19.2% five-year average return on equity, was set at year's end to be purchased by Wickes Cos. Such regroupings seem inevitable. Though lower individual tax rates may boost consumer demand, overall apparel sales are expected to increase only 1% to 2%. ■

AUTOMOTIVE

Ford made the money, GM put on the show, the immigrants got ready, and up the yen did go.

By Jerry Flint

At General Motors, a decade of flawed strategies created a mountain of unsold cars, giveaway prices, falling profits and a one-man stockholder revolt by H. Ross Perot, who then took $743 million for his shares and went home. At Ford, by quiet contrast, a hot truck and the old-fashioned limo created what will probably turn out to be a record $3 billion-plus profit. At Chrysler, marketing knowhow compensated for the lack of new designs. And across the Pacific, Hyundai, the Korean company, established a U.S. beachhead with 160,000 cars sold, even as the yen's rise against the U.S. dollar

Most improved

Luck, hard work, four aces. Thus armed, Ford Motor Co. swept the competition to stand out as the auto industry's most improved carmaker for 1986. Ford produced an impressive 26.5% return on equity in the past 12 months. Its stock price nearly doubled, approaching its alltime high—63½—as the year ended. Ford's aces turned the trick.

The first ace: trucks, which account for 40% of Ford's North American vehicle business. Sales in 1986 ran 11% ahead of the year earlier. Profits are high because trucks run longer production cycles than cars and are simpler to build; yet, with a 25% import duty, prices are strong.

Second ace: the Lincoln Town Car, which benefited from America's renewed love affair with big, old-fashioned luxury cars. With an estimated profit of $7,000 to $8,000 each and more than 120,000 sold in 1986, the Town Car probably pumped $1 billion in profits into Ford last year.

Third ace: Europe. Quitting the costly drive for market share and stressing productivity reaped $400 million in pretax profits for Ford's European operations in the first half alone. Says Donald Petersen, Ford's chairman, "This one part of our company is establishing for all of us that you can be in an environment of excess capacity and still be profitable. That gives our North American crew more of a sense of confidence that we can do it here, too."

Fourth ace: cost containment. When the bad days came after the second oil shock, Ford started downsizing, and never stopped. Since then, the U.S. salaried work force has been scaled down continually, despite record profits, from 86,300 in 1979 to 67,800, excluding 6,100 who came into Ford with acquisitions. That means a long-run saving of about $150 million a year.

Ford Chairman Donald Petersen Richard Derk

Every silver lining, of course, has its cloud. All this success is likely to make Ford the target of a hungry UAW in this year's contract talks.

Americans bought 16 million cars and trucks last year, more than ever before. Normally, that would mean expansion, added capacity, more jobs at Detroit's Big Three. But Asian producers are planning to build new assembly plants in the U.S. and Canada capable of building 2 million more vehicles. This means overcapacity, say Detroiters. So, they don't expand and load up on Asian cars, too.

punished Japanese carmakers' profits.

During the year a record 16 million vehicles were sold to U.S. buyers, with more than a fourth of the business going to non-U.S. firms. But the most important development centered on so-called immigrant plants in North America. VW, Nissan, Toyota and Honda are already rolling cars from such plants. Mazda goes into production later this year from an assembly plant just outside Detroit, to be followed by a Mitsubishi plant in Illinois, a joint Subaru/Isuzu plant in Indiana and another Toyota plant in Kentucky. Coming, too, in Canada are plants for Toyota, Honda, Hyundai and Suzuki, which is having amazing success with its Jeep-like Samurai. Altogether the immigrants will have North American capacity for about 2 million cars early in the 1990s.

The proliferation could bring a severe overcapacity. Carmakers like Ford and Chrysler are, in fact, short of capacity, but they fear expanding in the face of the immigrant invasion and instead have plans to increase their own imports from

Automotive

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in –segment– sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Automobiles and trucks													
Subaru of America	•/•	1	49.9%	34.4%	13.8%	4.8%	2	13.1%	39.4%	3	32.5%	27.4%	very high
Ford Motor	•/•	2	14.6	26.5	17.3	5.3	5	8.6	16.2		NM	32.4	NM
General Motors	NA/NA	3	13.3	12.9	32.8	3.5	4	11.0	10.1	2	90.0‡	–7.7	high
Paccar	•/•	4	12.0	6.8	1.7	2.7	8	4.5	–8.2	4	1.8	–44.7	very low
Fruehauf	53/42	5	6.0	5.8	88.3	1.4	7	5.6	1.4		NM	–54.7	NM
Mack Trucks	•/DD	6	def	def	21.7	def	6	7.0	–20.2		NM	D–D	NM
American Motors	•/DD	7	def	def	544.1	def	3	11.8	–8.1		NM	D–D	NM
Navistar Intl	•/DD	8	def†	def	704.6	def	9	–11.5	–4.3		NM	D–D	NM
Chrysler	•/•	9	NE	31.1	46.6	5.9	1	19.5	3.9	1	161.6‡‡	–19.6	very high
Medians			**6.0**	**6.8**	**32.8**	**2.7**		**8.6**	**1.4**		**NM**	**–44.7**	
Automotive parts													
Snap-on Tools	•/•	1	19.9%	19.1%	4.1%	10.1%	10	7.7%	10.5%	9	10.3%	6.8%	high
Rockwell Intl	15/19	2	19.8	21.1	19.6	5.0	6	10.2	8.5	4	16.9	3.0	very high
Lear Siegler	33/48	3	18.5	9.7	34.3	2.4	8	9.7	7.1	13	3.9	–35.6	average
Colt Industries	34/38	4	16.8	26.0	76.2	6.9	26	–5.8	–13.4		NM	–20.4	NM
Sealed Power	86/NA	5	15.6	10.8	53.6	4.3	2	19.0	8.9	5	15.2	–16.0	average
Federal-Mogul	79/87	6	15.2	12.9	38.7	4.7	18	4.0	3.6	11	7.5	0.9	average
Johnson Controls	41/49	7	15.1	12.4	17.5	3.6	5	11.6	47.7	6	13.7	–1.9	very high
Echlin	•/•	8	14.4	16.0	22.2	5.4	1	19.9	16.9	3	34.2	0.9	very high
PPG Industries	44/44	9	13.8	17.7	51.1	6.6	11	7.1	6.3	10	9.4	13.8	average
Cummins Engine	•/•	10	13.4	def	41.2	def	16	5.2	0.2	2	34.8‡	P–D	very low
Purolator Courier	23/PD	11	13.1	def	83.6	def	13	6.2	3.4		NM	D–D	NM
Borg-Warner	33/40	12	13.0	12.9	23.5	6.1	12	6.7	–8.9	12	6.0	26.9	average
TRW	36/41	13	12.6	14.3	64.5	2.4	19	3.9	–0.7		NM	126.8	NM
Dana	78/87	14	11.6	9.6	36.6	3.1	9	8.9	1.2	7	13.4	–33.0	average
Arvin Industries	56/81	15	11.5	17.0	22.5	4.8	3	14.7	6.9	1	36.8	19.1	very high
Eaton	42/66	16	9.2	10.6	36.7	3.9	20	3.2	4.0		NM	–39.2	NM
Allied-Signal	30/23	17	6.9	def	57.7	def	4	13.8	12.9		NM	P–D	NM

•90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ‡‡Three-year growth. For further explanation, see page 61.

manufacturers in Taiwan, Thailand, Korea, Japan, Mexico.

At GM, in contrast, overcapacity is a symptom of internal problems. Chairman Roger Smith vows that better days are coming, with more appealing cars, lower production costs and a leaner bureaucracy. But Smith also must contend with rumors that the troubles will bring his personal downfall. But there hasn't been a palace revolt at GM since 1920, when founder Billy Durant was pushed out.

Among suppliers the big news involved takeovers. GAF and Irwin Jacobs were snarling at Borg-Warner, James Goldsmith greenmailed Goodyear, Sumitomo Rubber bought Dunlop Tire, Lear Siegler agreed to be acquired by Forstmann Little for $2.1 billion, and Ex-Cell-O was taken over by Textron. In this corner of the business at least, partsmakers worry whether the Japanese immigrants will buy from them and whether sales of replacement parts will turn up as more cars get older. Still, the message for market players seems to be: Forget return on equity; check out bust-up value. ■

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in –segment– sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Champion Spark Plug	62/62	18	6.7%	def	8.1%	def	24	0.4%	2.5%	14	–12.6%	P–D	high
Allen Group	•/•	19	6.0	7.9%	21.1	2.6%	22	1.9	14.4		NM	–32.9%	NM
Fruehauf	35/52	20	6.0	5.8	88.3	1.4	14	5.6	1.4		NM	–54.7	NM
Day International	28/29	21	5.9	9.1	79.9	1.9	17	4.7	–0.9	8	11.3	16.0	very low
Barnes Group	88/82	22	4.7	14.4	36.7	3.8	23	0.6	1.7		NM	74.0	NM
AO Smith	65/NA	23	1.1	15.2	54.0	3.7	15	5.4	3.4		NM	D–P	NM
Chicago Pneumatic	37/DP	24	def	def	48.6	def	25	–3.6	–28.6		NM	P–D	NM
Eagle-Picher Inds	37/39	25	def	def	32.5	def	21	2.9	0.9		NM	P–D	NM
Clark Equipment	26/65	26	def	def	55.3	def	27	–8.4	–6.0		NM	D–D	NM
Varity Corp	30/34	27	NE	34.1	161.6	2.6	28	–16.9	1.3		NM	D–P	NM
Masco Industries	55/70		NA	13.5	417.1	1.9	7	9.9	9.9		NA	–42.7	NA
Medians			**11.6**	**11.6**	**40.0**	**2.9**		**5.5**	**3.4**		**–12.6**	**–26.7**	
Recreational vehicles													
Fleetwood Enterprises	56/70	1	20.5%	13.7%	0.0%	3.1%	1	29.3%	–2.6%	1	121.7‡%	–24.8%	very high
Coachmen Industries	89/NA	2	18.5	2.1	8.9	0.5	2	28.0	–10.3	2	20.5‡	–70.3	very low
Skyline	31/44	3	6.2	8.5	0.0	3.4	3	2.9	–2.8	3	7.0	17.5	average
Medians			**18.5**	**8.5**	**8.9**	**3.1**		**28.0**	**–2.8**		**20.5**	**–24.8**	
Tire and rubber													
Cooper Tire & Rubber	•/•	1	19.2%	12.3%	14.2%	3.8%	2	10.5%	7.2%	2	2.8%	8.6%	very low
Armstrong Rubber	82/51	2	12.0	def	85.9	def	1	11.4	4.2	3	–3.6‡	P–D	very low
Goodyear	80/72	3	11.1	9.1	53.3	3.2	4	3.1	4.0	1	5.0	–26.9	average
GenCorp	38/22	4	5.8	10.5	20.7	3.3	3	6.7	5.4	4	–6.7	159.9	very low
Firestone	88/60	5	4.9	0.7	24.1	0.1	6	–4.0	–4.8		NM	–85.2	NM
BF Goodrich	43/43	6	def	def	62.3	def	5	1.4	–13.0		NM	D–D	NM
Medians			**8.5**	**4.9**	**38.7**	**1.7**		**4.9**	**4.1**		**–5.2**	**–56.1**	
Industry medians			**11.5**	**10.1**	**36.7**	**2.9**		**6.5**	**3.0**		**–3.6**	**–29.9**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

• 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ‡‡Three-year growth. For further explanation, see page 61.

BANKS AND THRIFTS

Call it economic Darwinism: As the strong banks got stronger, the weak banks got weaker. For 1987, more of the same.

By Tatiana Pouschine

WITH WRITEOFFS AND LOAN LOSSES at the highest levels ever, banking industry return on equity barely increased to 15.5%, from 15.4% the year before. There was a silver lining: an overall increase in loan loss reserves in spite of record charge offs against these reserves. Banks rushed to step up loan loss reserves before the new tax bill made them nondeductible, even though the additions to reserves penalized earnings. Did that mean that loan loss writeoffs were behind the banks? By no means. It did mean that most banks were in good shape to withstand further loan losses.

While there were exceptions, return on equity declined for most money center and multinational banks. In addition to the cost to earnings from higher reserves, the old core business of supplying credit to large corporate borrowers continued to shrink, as firms turned increasingly either to investment banks or directly to the capital markets for their financing needs. Commercial and industrial loans for the large New York banks actually declined by 6% during the year. Says analyst Allerton Smith of L.F. Rothschild, Unterberg, Towbin, higher noninterest income, which includes fee income and trading profits, appears partly to have filled the gap. Hardest hit was BankAmerica. Helped by gains on securities and skyrocketing fee income, J.P. Morgan was one of the best performers.

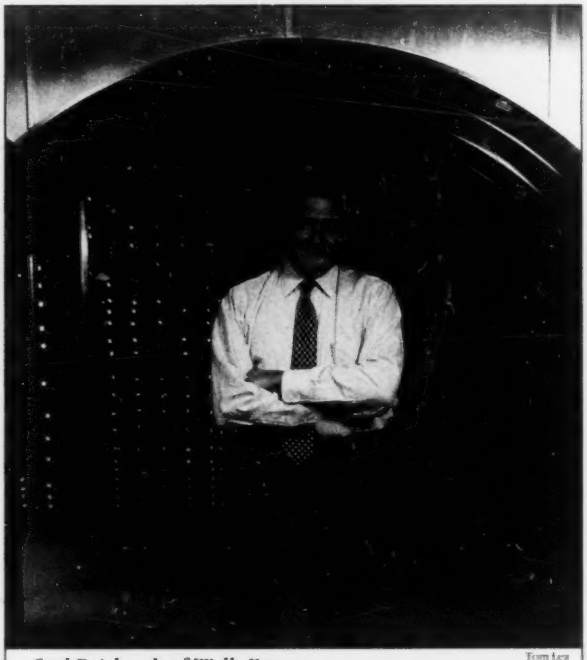
Banks and thrifts

Yardsticks of management performance

	Profitability					Growth					
	Return on equity					Sales			Earnings per share		
Company	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Multinational												
Bankers Trust NY	1	17.2%	17.5%	70.2%	8.7%	6	3.3%	1.7%	5	6.3%	14.5%	average
JP Morgan	2	16.1	19.7	40.7	12.6	7	2.7	2.3	1	13.2	19.5	very high
Citicorp	3	15.5	13.4	256.6	4.3	1	7.7	5.8	2	13.0	–7.2	very high
Chemical New York	4	15.4	14.7	48.9	7.2	4	3.9	–4.9	4	7.7	–0.9	very high
Bank of Boston	5	15.4	15.6	87.6	6.1	3	6.4	–0.1	3	9.4	–1.6	very high
Irving Bank	6	13.6	13.5	58.0	6.5	10	0.6	–5.8	6	2.9	16.4	low
Manufacturers Hanover	7	13.4	12.4	209.6	5.1	2	7.6	–5.7	7	2.7	6.1	average
Chase Manhattan	8	12.8	13.4	59.2	6.0	8	1.6	–1.1	8	2.2	11.0	very low
First Chicago	9	8.7	13.0	41.9	6.3	5	3.5	–9.2	9	0.9	61.9	very low
BankAmerica	10	5.0	def	133.1	def	9	0.7	–8.8		NM	D–D	NM
Continental Illinois	11	def	4.1	60.4	3.7	11	–11.3	–13.1		NM	–80.7	NM
Medians		**13.6**	**13.4**	**60.4**	**6.1**		**3.3**	**–4.9**		**2.9**	**6.1**	
Northeast												
State Street Boston	1	21.3%	19.0%	18.2%	10.4%	10	9.3%	18.4%	1	18.5%	15.4%	high
Midlantic Banks	2	21.0	18.5	33.0	10.9	5	22.0	18.8	6	9.9	15.5	very high
Republic New York	3	18.9	16.4	97.7	10.3	11	6.9	13.8	13	2.1	26.3	average

D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 61.

Most improved



Carl Reichardt of Wells Fargo Tom Lea

While banks across the country rushed to diversify into everything from investment banking to currency arbitrage and bond swaps, and were so eager for growth that they literally pushed money at astonished borrowers, one bank chose to stick with making money the old-fashioned way: by lending it out to creditworthy borrowers capable of actually paying back the money. During 1986 that commonsense strategy, helped along by the $1.1 billion acquisition of Crocker National Bank, brought Wells Fargo buoyant earnings, a higher stock price and recognition as the most improved bank of the year.

Presiding over this strategy was Wells Fargo's chairman and chief executive officer since 1983, Carl Reichardt. Not only did he work hard to upgrade the quality of the bank's loan portfolio, but Reichardt also fought hard, and successfully, to hold down costs. Result? Salaries, one of the largest single expense categories for any bank, rose by less than 3% during the two years before the Crocker acquisition, as against 14.7% and 9.9% for such competitors as Security Pacific and Valley National.

Because of these efforts, Wells Fargo's return on equity rose by 7% during the year, to 15.3%, while return on assets rose to 0.74%, from 0.62% in 1984, and the stock nearly doubled. In all these categories, the once-troubled bank substantially outperformed nearly all its competitors. The bank now is neck-and-neck with Security Pacific as the top-performing bank on the West Coast. Says Reichardt of all this: "I'm looking beyond Security Pacific. Now we want to be just as good as Wachovia."

Yardsticks of management performance

	Profitability					Growth						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Fleet Financial	4	18.7%	21.9%	117.6%	11.1%	9	13.7%	20.8%	2	14.7%	17.9%	very high
Hartford National	5	17.2	18.0	12.2	10.9	4	27.0	19.0	12	4.4	8.0	average
Bank of New England	6	16.2	18.5	28.1	8.9	6	16.4	9.4	7	9.8	17.6	high
First Fidelity Bncp	7	16.1	15.6	33.1	9.6	2	29.4	13.2	10	7.6	12.4	high
Bank of New York	8	15.8	17.0	48.9	8.7	12	5.5	10.0	4	12.1	12.6	very high
Norstar Bancorp	9	15.7	15.5	38.8	10.6	1	37.3	10.0	11	7.4	12.6	very high
BayBanks	10	15.3	16.8	21.3	8.6	8	13.8	11.4	8	9.5	16.9	high
KeyCorp	11	15.2	17.2	35.0	9.8	3	28.1	18.6	3	14.4	12.3	very high
Shawmut	12	13.4	14.1	45.6	8.4	7	14.6	20.6	5	10.9	1.4	very high
Marine Midland Banks	13	10.4	11.9	90.7	6.0	13	4.2	–7.1	9	8.3	43.4	average
Medians		**16.1**	**17.0**	**35.0**	**9.8**		**14.6**	**13.8**		**9.8**	**15.4**	
Mid-Atlantic												
CoreStates Financial	1	19.1%	16.5%	48.4%	11.1%	11	10.3%	7.4%	1	27.9%	–34.7%	high
PNC Financial	2	17.8	20.1	48.9	12.1	10	11.3	8.6	5	14.4	21.0	very high
Continental Bancorp	3	17.5	17.4	4.2	11.0	2	15.2	5.6	10	7.0	11.2	high
United Virginia Bkshs	4	17.3	17.0	31.3	9.4	6	13.9	17.5	6	12.9	10.9	very high
Fidelcor	5	17.3	17.7	31.6	8.1	4	14.6	17.2	3	25.7	13.9	high

D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 61.

Stocks of regional banks in economically vibrant sections of the country fared better than the money center banks, as evidenced by the price/earnings premiums their stocks enjoyed. One reason for the high prices was merger fever, which began sweeping the industry after the U.S. Supreme Court in June 1985 legalized regional compacts on interstate banking. In the Northeast, for example, where activity was particularly robust, 10 out of the 13 banks on our list went in search of merger opportunities.

Regulators in Texas faced severe problems, as their banks bled heavily from sour energy and deteriorating real estate loans. The legislators opened their state to interstate banking

Banks and thrifts

Yardsticks of management performance

	Profitability					Growth						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Sovran Financial	6	17.1%	17.7%	29.4%	9.9%	5	14.0%	–3.2%	4	15.0%	9.5%	very high
Meridian Bancorp	7	15.2	15.4	25.5	8.9	1	15.5	12.6	9	9.9	3.0	high
Signet Banking	8	15.0	19.0	57.0	9.3	9	13.0	11.8	2	27.7	19.6	very high
Maryland National	9	14.9	18.8	44.0	9.1	3	14.7	13.9	7	11.4	24.3	high
Dominion Bankshares	10	13.8	15.9	22.1	8.3	8	13.6	8.1	8	10.1	11.8	average
Mellon Bank	11	12.7	12.2	82.4	6.2	7	13.8	5.4	12	3.1	3.7	low
Riggs National	12	12.5	13.5	62.9	7.9	12	8.2	–5.9	11	4.8	10.3	average
First Pennsylvania	13	def	def	35.4	3.6	13	–6.1	–4.4		NM	D–D	NM
Medians		**15.2**	**17.0**	**35.4**	**9.1**		**13.8**	**8.1**		**11.4**	**10.9**	
North central												
Banc One	1	18.9%	18.0%	11.7%	11.3%	1	32.6%	15.2%	3	13.6%	15.1%	very high
Boatmen's Bancshares	2	16.8	14.5	28.4	9.8	2	23.0	16.1	9	9.7	0.2	very high
First of America Bank	3	15.6	17.2	13.3	9.2	3	18.5	8.8	2	19.4	2.5	very high
Marshall & Ilsley	4	15.2	16.3	44.0	9.2	8	12.9	18.3	6	11.7	14.0	very high
Huntington Bcshs	5	14.5	15.7	33.7	8.5	4	18.5	12.3	12	6.9	8.8	average
Mercantile Bancorp	6	14.4	13.3	30.8	8.3	14	4.7	7.2	15	2.7	10.9	average
First Bank System	7	13.5	15.9	91.9	6.4	9	11.9	21.3	10	9.0	18.6	high
National City	8	13.5	20.1	24.7	10.0	5	16.7	4.1	5	12.9	23.4	high
First Wisconsin	9	12.4	12.9	24.3	7.4	17	2.2	9.4	14	3.0	19.2	average
Society	10	12.4	15.9	29.8	9.3	6	15.1	4.8	7	10.6	24.6	very high
NBD Bancorp	11	11.5	14.2	39.0	8.8	13	5.2	5.1	8	10.5	19.8	high
Commerce Bcshs	12	11.4	11.8	18.5	7.9	11	11.4	–2.3	4	13.0	6.2	low
Comerica	13	10.8	10.5	22.5	5.6	7	13.7	–8.5	13	6.0	0.7	high
AmeriTrust	14	10.7	11.2	14.1	11.0	16	3.1	12.7	11	7.3	4.9	average
Manufacturers Natl	15	10.4	14.9	18.3	8.9	15	3.9	2.0	1	27.2	17.6	average
Norwest	16	9.6	8.9	143.7	4.6	10	11.5	–6.6	18	–9.3	–3.0	average
Centerre Bancorp	17	9.1	9.3	34.2	5.9	18	1.3	–2.4	16	–6.7	12.6	average
Northern Trust	18	8.4	12.3	23.1	6.4	19	1.1	3.3	17	–7.1	83.2	low
Michigan National	19	5.2	12.2	13.2	5.9	12	5.5	–0.2		NM	45.8	NM
Medians		**12.4**	**14.2**	**24.7**	**8.5**		**11.5**	**5.1**		**9.0**	**14.0**	
Southeast												
First Wachovia	1	18.5%	17.8%	25.6%	10.5%	6	14.6%	1.3%	3	20.9%	–2.0%	very high
SunTrust Banks	2	18.5††	17.5	29.6	9.8	3	22.6	8.2	6	14.7	11.2	very high
Barnett Banks Fla	3	18.1	18.0	23.2	8.7	1	29.9	12.5	5	17.1	13.9	very high
Citizens & Southern	4	16.7	18.4	35.4	9.4	7	13.4	16.5	8	12.3	13.7	very high
First Union	5	16.6	19.1	35.9	11.1	5	14.7	11.9	2	21.0	12.8	very high
NCNB	6	16.5	17.4	38.1	8.7	4	19.9	25.5	7	13.0	7.8	very high
Third National	7	16.2	17.4	16.0	10.4	10	11.0	2.2	4	18.1	12.2	very high
Florida Natl Banks	8	15.9	12.4	11.5	7.6	2	25.1	5.5	1	40.2	–47.6	high
First Tennessee Natl	9	14.8	16.1	20.2	8.2	8	11.5	3.4	9	11.1	5.3	very high
Southeast Banking	10	13.3	15.3	41.6	7.6	9	11.3	0.9	10	1.1	41.0	low
Medians		**16.6**	**17.5**	**27.6**	**9.1**		**14.7**	**6.9**		**15.9**	**11.7**	
South central												
Allied Bancshares	1	25.5%	1.3%	17.0%	0.9%	2	28.3%	–15.1%	1	15.2%	–93.3%	very high
Texas Commerce Bcshs	2	17.7	1.0	23.5	0.7	4	11.8	–14.4	5	–8.5	–90.4	very low
MCorp	3	17.4	def	54.2	def	1	29.0	–0.7	3	–0.2	P–D	very low
RepublicBank	4	15.6	6.4	40.3	3.9	5	9.5	–7.9	2	1.4	–47.7	very low

D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 61.

this month in hopes of attracting capital to help shore up the shaky local banks. Though the smoke hasn't cleared, Chemical Bank agreed to buy Texas Commerce Bancshares.

The savings and loan picture was a contrast between poverty and prosperity. Money poured into some thrifts, but others were on the ropes. The burden of the weaker thrifts raised questions about whether the Federal Savings & Loan Insurance Corp. (FSLIC), with $2 billion in reserves, has resources to indemnify insured depositors should failures sweep the system. The U.S. Treasury calculated that FSLIC should boost its reserves by $25 billion, but Congress, in a rare economy move, refused to increase funding. ■

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Texas American Bcshs		5	13.0%	def	44.8%	def	3	13.1%	–6.3%	4	–7.4%	P–D	low
First City Bancorp		6	10.6	def	37.5	def	6	9.2	–16.2	6	–26.5	P–D	high
InterFirst		7	8.5	def	61.6	def	7	7.6	–15.7		NM	P–D	NM
Medians			**15.6**	**def**	**40.3**	**def**		**11.8**	**–14.4**		**–7.4**	**P–D**	
Western													
Security Pacific		1	16.4%	15.7%	174.2%	6.3%	1	10.3%	9.8%	1	10.0%	8.6%	very high
Valley National		2	14.1	12.0	47.7	6.1	2	10.1	3.0	5	4.6	–13.0	low
Rainier Bancorp		3	13.9	13.5	64.0	8.2	7	6.2	0.7	2	9.9	5.7	high
Wells Fargo		4	13.7	15.3	208.7	6.6	9	3.9	7.5	3	9.0	18.2	high
First Interstate Bncp		5	13.7	12.6	139.1	6.4	4	7.9	2.5	6	3.3	9.0	average
US Bancorp		6	13.4	13.0	54.3	9.0	5	7.6	1.7	7	1.3	15.7	very low
United Banks of Colo		7	12.9	9.1	15.0	5.8	3	9.3	1.3	4	4.9	–24.9	low
First Security		8	10.5	5.8	48.8	3.6	6	7.2	–0.2	9	–16.3	13.3	average
California First Bank		9	8.2	10.3	16.9	5.2	8	6.2	2.5	8	–4.8	15.1	very low
Medians			**13.7**	**12.6**	**54.3**	**6.3**		**7.6**	**2.5**		**4.6**	**9.0**	
Thrift institutions													
Columbia S&L		1	50.0%	30.2%	60.6%	17.1%	1	119.6%	25.0%	4	20.2‡‡%	28.9%	average
American Continental		2	33.8	24.0	1141.1	3.2	17	22.9	16.4	2	81.3	–48.9	high
Western S&L		3	30.5	66.7	106.1	8.4	13	24.0	13.1		NM	60.3	NM
Golden West Finl		4	22.7	38.6	20.2	13.3	18	22.0	4.4		NM	33.9	NM
Entex	33/DD	5	19.7	def	130.8	def	27	4.6	–19.1	5	3.5	P–D	very low
CityFed Financial		6	18.8	21.0	40.4	5.4	4	37.6	10.1	3	53.2‡‡	–17.5	high
Finl Corp of America		7	12.7	118.2	267.8	3.8	2	87.1	2.8		NM	D–P	NM
United Financial		8	6.8†	def	844.6	def	9	27.0	46.8		NM	P–D	NM
HF Ahmanson		9	5.8	24.0	55.2	9.4	24	17.8	4.4		NM	63.5	NM
Gt Western Financial	75/84	10	5.0	23.3	59.8	7.9	8	30.0	10.0		NM	71.4	NM
Gibraltar Financial		11	3.1	19.2	257.8	4.3	21	20.6	9.3		NM	25.9	NM
Imperial Corp of Am		12	def†	10.8	246.3	1.9	23	18.0	1.3		NM	436.0	NM
Amerifirst Federal			NA	NA	331.9	6.2	26	8.9‡	14.9		NA	NA	NA
CalFed			NA	16.9	15.4	6.9	6	32.2	2.5	1	156.3‡‡	21.3	high
Carteret Savings			NA	14.5	195.6	4.8	3	38.7	–2.8		NA	1.2	NA
CenTrust Savings			NA	def	570.2	1.2	11	24.7	18.8		NM	P–D	NM
Coast S&L Assoc			NA	12.4	169.1	5.2	20	20.9	20.0		NA	NA	NA
CrossLand Savings			NA	17.4	240.4	4.6	10	26.2	–4.5		NA	–6.2	NA
Dime Savings Bank			NA	NA	95.9	8.8	25	9.4	NA		NA	NA	NA
First Federal Mich			NA	31.8	148.7	7.8	7	30.9	9.5		NA	78.5	NA
Florida Federal S&L			NA	def	85.1	def	19	21.8	–5.4		NM	D–D	NM
GlenFed			NA	13.3	28.4	5.6	14	23.8	18.8		NM	76.7	NM
Gt Am First Savings			NA	18.4	84.1	7.0	15	23.1	35.1		NA	103.8	NA
Home Federal S&L			NA	14.8	27.3	9.1	22	19.7	0.9		NM	71.0	NM
MeraBank			NA	18.3	125.5	5.8	5	33.3	14.1		NA	51.9	NA
Meritor Financial			NA	def	82.2	def	12	24.2	5.4		NA	P–D	NA
TCF Banking & Saving			NA	NA	15.3	2.1	16	22.9‡	NA		NA	NA	NA
Medians			**15.8**	**17.9**	**106.1**	**5.4**		**23.8**	**9.5**		**NM**	**27.4**	
Industry medians			**15.0**	**15.5**	**41.9**	**7.8**		**13.7**	**5.4**		**7.6**	**12.0**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

DD: Segment deficit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 61.

BEVERAGES AND TOBACCO

People are smoking less, but you wouldn't know it from the healthy bottom lines of the cigarette makers.

By Harold Seneker

EVEN AS EVIDENCE MOUNTS that smoking is a health hazard—to bystanders as well as to smokers—cigarette makers' profits have risen. Unit sales of cigarettes fell 1½% to 2% this year, but price increases more than compensated for the slippage. Cigarette makers raised prices 9% this year net of excise taxes, while cutting manufacturing costs by relentless automation. Price supports for leaf tobacco keep dropping ($1.430/lb. this year, vs. $1.650 last year and $1.699 the year before), so the raw materials cost goes down. The glorious cash flow from all this allows the majors (RJR Nabisco, Philip Morris, American Brands) to reach for acquisitions—witness American Brands' recent unsuccessful $2.8 billion bid for Chesebrough-Pond's—and otherwise diversify. And they all seem to understand what side businesses they should be in: brand-name consumer products, which depend heavily on the marketing expertise that cigarette companies have developed to a fine art.

The outlook for 1987 is more of the same. And 1988 should be even better. Cigarette companies tend to be fully taxed, so tax reform's lower brackets, when they take full effect, will mean another boost in cash flow and earnings. (There is another side to all this. Falling tobacco prices hurt middlemen who deal in tobacco leaf, such as Dibrell Brothers and Standard Commercial Tobacco. Dibrell is expanding in Brazil, where cigarette use is rising, and Standard has bought itself a position buying and selling wool worldwide.)

The beer industry, by contrast, is in the end game of a decade-long shakeout as Anheuser-Busch relentlessly adds to its indisputably dominant position (nearly 39% last year, headed toward 40%-plus this year, estimates Rothschild, Unterberg, Towbin analyst David Goldman). Meanwhile, Philip Morris' Miller beer continues to tighten its grip on second place (20% in 1986). Heileman (8.5%) and Coors (8.5%) did well to hold their own.

Similarly, the soft drink market by now is pretty much dominated by the two majors, Coke and Pepsi. (A Dallas

Beverages and tobacco

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Alcoholic beverages													
G Heileman Brewing	83/86	1	25.0%	15.9%	43.9%	4.0%	3	11.5%	–0.2%	4	4.9%	10.4%	low
Brown-Forman	68/83	2	21.9	17.7	46.0	8.3	1	17.4	10.7	2	9.2	9.3	average
Anheuser-Busch Cos	77/•	3	20.3	19.7	33.8	6.5	2	17.4	8.2	1	16.8	12.9	very high
Seagram	•/•	4	11.4	11.5	26.0	17.9	5	2.8	11.0	3	5.0	40.1	low
Adolph Coors	84/•	5	7.0	6.7	0.0	4.8	4	7.8	5.4	5	–1.8	34.4	very low
Medians			**20.3**	**15.9**	**33.8**	**6.5**		**11.5**	**8.2**		**5.0**	**12.9**	
Soft drinks													
General Cinema	61/71	1	35.3%	22.7%	68.4%	8.9%	3	4.6%	4.8%	1	33.8%	–25.9%	high
Coca-Cola	69/76	2	22.6	26.9	34.6	8.8	1	6.5	19.0	2	9.1	23.1	very high
PepsiCo	38/30	3	18.6	23.6	123.0	4.8	2	5.3	12.8	3	8.1	–14.1	low
Medians			**22.6**	**23.6**	**68.4**	**8.8**		**5.3**	**12.8**		**9.1**	**–14.1**	

• 90% or more. NA: Not available. For further explanation, see page 61.

Most improved

Loews Chairman Laurence Tisch Maria Robledo

Loews, on top of getting the plush earnings gains of other cigarette companies, also had a kicker last year: a dramatic turnaround in its insurance business. Lorillard, the fourth-largest cigarette manufacturer, with its Newport, Kent and True brands, contributed some 40% of Loews' profits. But Loews also owns 80% of giant insurer CNA and consolidates the results. Consequently, by year's end Loews is likely to show an estimated 30% earnings increase over 1985 levels. For 1987 gains of another 20% to 25% over 1986 earnings are not unlikely, particularly if CBS—one-quarter owned by Loews—returns to its traditional level of profitability.

Considering all that, the fact that Loews shares have continued to trade at a lower multiple—recently, 10 times current earnings—than its competitors in many of its major markets suggests that Wall Street has not yet fully realized the investment value inherent in the company. With a record of steady 30% annual earnings gains in the last three years, Loews looks to be that rare breed among U.S. companies, a firm that can acquire diverse businesses and make them better—without accounting mirrors.

partnership, Hicks & Haas, is rounding up the few brands not owned by the big two—Seven-Up, Dr Pepper, Squirt, A&W. But, argues Goldman, "They have to get Royal Crown Cola to compete," and that's still held by the notorious financier Victor Posner.)

PepsiCo, while not conceding defeat in the cola wars, is redirecting ever more effort into snack foods and restaurants—last year agreeing to acquire Kentucky Fried Chicken from RJR Nabisco for $840 million, and adding nut-based snacks to its Frito-Lay line. A recent management shakeup seemed aimed at improving Frito-Lay's profits, which already contribute 40% of operating income. Beverages are now up to about 36%.

Coke still gets three-quarters of its profits from soft drinks and is working hard to solidify its leadership position. After buying up two of its most important regional bottlers for $2.4 billion, the firm turned around and spun off 49% of them as Coca-Cola Enterprises. This move gets the debt off the parent company's balance sheet while still guaranteeing control over the bottling operations. Directly or through Enterprises, Coca-Cola now controls 38% of its bottling and is believed to be aiming for at least 50%. ■

Beverages and tobacco

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Tobacco													
US Tobacco	86/●	1	30.0%	31.2%	15.4%	20.3%	2	13.8%	6.8%	3	19.6%	14.5%	very high
Philip Morris Cos	66/●	2	25.1	29.3	112.9	6.8	4	9.4	97.8	4	15.6	29.9	very high
Culbro	47/NA	3	24.0	18.2	19.1	3.0	1	24.8	–3.8	7	7.2	161.3	very low
Loews	17/48	4	22.9	22.9	44.4	7.2	5	7.6	30.4	2	23.3	1.8	high
RJR Nabisco	40/66	5	22.8	19.8	84.8	6.6	3	12.0	42.6	5	10.1	–11.2	high
Dibrell Brothers	●/●	6	21.4	16.0	11.2	3.2	7	2.2	–10.8	1	37.2	–0.7	very high
American Brands	33/57	7	19.8	14.6	26.3	6.5	6	2.5	24.5	8	1.3	–11.4	low
Universal Leaf	72/70	8	19.1	16.6	30.5	3.5	9	0.5	13.3	6	9.9	1.9	very high
Std Commercial Tob	73/78	9	15.9	12.2	17.2	2.0	8	1.9	19.7	9	–3.2	35.9	low
Medians			**22.8**	**18.2**	**26.3**	**6.5**		**7.6**	**19.7**		**10.1**	**1.9**	
Industry medians			**21.9**	**18.2**	**33.8**	**6.5**		**7.6**	**11.0**		**9.2**	**10.4**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

● 90% or more. NA: Not available. For further explanation, see page 61.

CHEMICALS

After major pain and loss, things look better now for the chemical industry, and the weaker dollar will be a big help.

By Ruth Simon

IT WAS LIKE THE WILD WEST. Come out shooting or be shot." So says one analyst of the colossal restructuring that shook the chemical industry in 1986.

In large part cutbacks were needed to make up for past excesses. Chemical makers expanded hastily in the Seventies, planning and spending for a boom that never arrived. The result? Overcapacity, which now is being shed. Meanwhile, companies are seeking new niches to provide greater income.

The weaker dollar is also fueling activity. During 1986 foreign chemical makers boosted to about 30% the share of the U.S. industry they control, up from just 17% in 1980. Most notable were West Germany's Hoechst A.G.'s $285 billion announced purchase of Celanese, and France's L'Air Liquide SA's $1.05 billion purchase of Big Three Industries. The Japanese made inroads as well, with Dainippon Ink & Chemicals' $550 million purchase of a Sun Chemical unit.

Most improved

"We have been doing what we've said we're going to do," says Monsanto Chairman Richard Mahoney, who has been moving his company out of petrochemicals and into a portfolio of specialty products and pharmaceuticals for at least five years. His success earned Monsanto the title of most improved chemicals company in 1986. You have to look past reported net earnings. They were down 87.5% from 1985 levels because of writedowns, but the company is beginning to reap rewards. A strong showing in agriculture and chemicals pushed operating income for the full year up about 120% over 1985 levels, and net income for the full year will exceed $400 million, after last year's loss. With asset sales and healthy cash flow, Mahoney cut debt by more than $2 billion.

James Schnepf/Wheeler Pictures

Monsanto's Richard Mahoney

Mahoney hasn't run out of problems. Prospects remain bleak for the money-losing electronics unit and the Fisher Controls division, a maker of valves and regulators for the oil industry. Three products—NutraSweet and herbicides Lasso and Roundup—account for nearly half of operating earnings. Lasso's patent expires this year, NutraSweet's in 1992. The solution? A commitment to research and development, which exceeded capital outlays for the first time last year. "I made 50 speeches to our scientific community," Mahoney says, "that we are in business in the pursuit of products—and I want the products now."

Chemicals

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Diversified													
Chesebrough-Pond's	39/26	1	19.0%	17.6%	106.2%	4.5%	3	12.1%	21.3%	9	–4.1%	9.7%	low
Univar	●/●	2	15.4†	7.4	128.4	0.6	6	4.0‡	–2.0	8	–2.2‡	–15.7	very low
Rohm & Haas	76/76	3	15.2	14.3	28.3	6.5	7	3.3	1.7	1	15.0	–2.5	high
Borden	32/32	4	13.7	15.3	37.2	4.3	10	0.8	6.0	2	9.4	14.8	very high
Borg-Warner	27/35	5	13.0	12.9	23.5	6.1	4	6.7	–8.9	3	6.0	26.9	average
FMC	38/41	6	12.0	16.1	NE	4.6	14	–1.0	–5.3	7	–2.2	236.1	very low
Hercules	44/28	7	11.6	13.8	29.8	8.0	11	0.3	1.7	4	1.4	33.2	very low
El du Pont	37/21	8	11.3	12.7	24.9	5.7	2	14.7	–18.1	5	0.2	72.3	very low
American Cyanamid	51/32	9	10.9	9.9	34.2	4.3	8	0.9	3.7	6	–1.8	–0.3	very low
Celanese	49/40	10	10.8	22.2	42.7	7.0	16	–2.2	–5.4		NM	43.4	NM

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. For further explanation, see page 61.

Nevertheless, there was more than a trace element of good news for the industry in 1986. With less efficient plants being mothballed, chemical makers are now operating at about 81% of capacity, their best since 1979. That, plus lower oil prices and a weaker dollar, helped nudge overall earnings up 1.1% during the year, after a drop of about 30% in 1985, and operating earnings for the full year should be up about 35%. Diversified companies fared best, with a 12.3% earnings gain. Specialty companies like Williams Cos. and International Minerals & Chemicals posted losses resulting from the weakness in agriculture and oil.

The restructuring that dominated 1985 and 1986 isn't over. Companies will continue to shuck off weak assets and use the money to expand in areas of strength. "There are a lot of products where there may be 10 or 15 producers, and the bottom 5 can easily drop out," notes Drexel Burnham Lambert Managing Director William Young.

The search for higher profits is leading many companies to increase research and development spending and to move into value-added specialty chemicals, pharmaceuticals and consumer products. That has blurred the distinction between basic and specialty chemical firms; it may cause overcrowding as well. "The industry overall will show good gains in specialty chemicals," says Chemical Manufacturers Association economist Myron Foveaux, "but not everyone who works hard at it is going to win." ■

Chemicals

Yardsticks of management performance

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in –segment– sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Monsanto	77/●	11	8.7	1.0%	42.7%	0.6%	12	0.0%	7.8%		NM	–87.5%	NM
National Distillers	52/37	12	7.6	7.6	48.8	3.8	5	4.8	6.1	10	–12.4%	59.9	average
Dow Chemical	45/25	13	7.4	5.4	67.2	2.3	9	0.9	1.2	11	–32.3	–41.1	average
Pennwalt	67/73	14	4.7	7.9	38.5	3.5	17	–2.3	7.2		NM	D–P	NM
Reichhold Chemicals	●/●	15	4.1	def	48.0	def	18	–2.7	–1.4		NM	P–D	NM
Olin	65/44	16	4.0	11.1	50.4	4.5	13	–0.3	–9.0		NM	D–P	NM
Union Carbide	56/68	17	3.1	30.0	439.7	7.2	15	–2.1	–22.0		NM	D–P	NM
Henley Group	NA/NA		NA	NA	3.0	def	1	24.5‡	NA		NA	NA	NA
Medians			**10.9**	**12.7**	**40.6**	**4.4**		**0.9**	**1.2**		**–4.1**	**12.3**	
Specialized													
Morton Thiokol	52/62	1	24.3%	17.1%	3.7%	6.8%	1	21.2%	4.6%	1	22.2%	–31.6%	average
Nalco Chemical	●/●	2	21.5	17.1	7.6	9.0	16	1.5	10.2	7	0.7	–9.2	very low
Intl Flavors & Frags	●/●	3	20.1	19.4	0.0	14.0	15	2.2	23.8	5	1.9	21.2	high
Vulcan Materials	30/21	4	15.8	16.5	14.2	9.0	6	6.1	–3.7	8	0.2	17.0	very low
Freeport-McMoRan	55/59	5	15.7	2.7	89.2	2.9	13	2.4	–15.4	13	–9.8	–83.8	average
Dexter	44/42	6	15.6	13.7	26.6	5.0	12	4.2	1.4	6	1.7	9.7	low
Witco	39/49	7	15.1	15.4	29.3	4.6	11	4.5	–6.5	3	9.3	10.8	average
Engelhard	26/72	8	15.0	9.7	21.8	2.2	23	–3.5	1.4	11	–9.1	1.1	average
Ethyl	45/53	9	14.3	20.6	44.4	10.3	21	–1.8	0.9	2	11.1	54.2	very high
Lubrizol	87/●	10	14.3	14.7	12.7	7.8	19	–0.7	7.5	14	–10.5	24.7	average
Air Prods & Chems	●/●	11	14.1	0.4	61.7	0.2	10	4.7	8.3	4	2.4	–96.6	low
Tyler	41/51	12	14.0	6.3	111.8	1.3	5	9.2	3.1	9	–1.7	–38.9	very low
Whittaker	37/40	13	14.0	def	21.2	def	25	–4.4	–50.8	17	–17.3	P–D	high
GAF	49/81	14	13.4	24.0	45.7	9.9	14	2.2	3.0		NM	31.0	NM
Economics Laboratory	67/●	15	12.7	18.3	23.0	5.4	9	5.1	10.0		NM	10.7	NM
Intl Minerals & Chem	70/DD	16	11.9	def	92.8	def	24	–3.7	–17.3	12	–9.2	P–D	average
WR Grace	55/62	17	11.6	6.8	91.7	2.5	22	–2.0	–24.1	16	–16.8	–7.6	high
CBI Industries	27/45	18	11.1	7.7	51.0	2.7	4	10.7	28.0		NM	D–P	NM
Liquid Air	84/●	19	10.5	10.6	53.4	6.0	7	5.7	6.2	10	–5.0	2.5	low
Cabot	50/43	20	9.6	13.1	85.5	5.6	18	0.7	–6.9		NM	D–P	NM
Ferro	●/●	21	8.2	8.2	31.9	2.3	20	–1.3	8.2	15	–13.9	24.7	average
Sun Chemical	72/67	22	8.0	12.5	89.3	4.8	2	12.0	–41.1	19	–23.7	25.3	average
Williams Cos	22/DP	23	7.0	def	159.5	def	3	11.9	–20.2	18	–19.5	P–D	low
NL Industries	39/●	24	5.7	def	56.6	def	27	–11.4	–42.4		NM	D–D	NM
Koppers	44/DP	25	def	def	40.6	def	26	–5.4	–22.8		NM	D–D	NM
BF Goodrich	43/51	26	def	def	62.3	def	17	1.4	–13.0		NM	D–D	NM
Inspiration Resources	36/DD	27	def	def	85.2	def	8	5.6	0.3		NM	D–D	NM
Medians			**13.4**	**9.7**	**45.7**	**2.9**		**2.2**	**0.9**		**–10.5**	**–7.6**	
Industry medians			**11.8**	**10.9**	**42.7**	**4.3**		**1.5**	**1.1**		**–1.[illegible]**	**1.1**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–4.9**	**2.8**	

●90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. For further explanation, see page 61.

COAL

Mining coal today is like bringing water to the river. There is no quick solution to the problem of low demand.

By Kerry Hannon

THE NATION'S COAL INDUSTRY is struggling, but thanks to diversification, streamlined operations and improved productivity, the situation looks better than it did last year.

During 1986 six of the eight coal mining companies on our list posted 12-month profits; last year only one did. But the reason for the improvement is not a better market for coal. Says Nacco Industries (formerly North American Coal Corp.) Chairman Otes Bennett Jr.: "Coal is still in the doldrums. I don't see any real growth for the next two to five years." Instead, coal companies fared better because cost cuts achieved in the past few years began to take hold even as

Most improved

Much of the coal industry foundered in the face of weak demand, but not Nacco Industries. The nation's eighth-largest producer, with mines in Ohio, Pennsylvania, North Dakota and Texas, was able to improve productivity even as it boosted sales to utilities. At the same time, it diversified into a corner of the depressed heavy equipment market. For that bold achievement Chairman and Chief Executive Officer Otes Bennett Jr. has earned for his company the title of most improved in the coal industry for 1986.

Bennett's boldest move was his $33 million investment in Yale Materials Handling Corp., the third-largest producer of forklift trucks in North America. Says he: "Coal still looks terrible. But we knew Yale was turning around and it was the best move we could make." That move, Nacco's first diversification effort ever, might have seemed risky at the time. But with the attractive price Bennett paid for 85% ownership of the company in 1985, Yale Materials has become an important contributor to Nacco, representing a projected 16% of 1986 earnings.

Eric Smith/Gamma-Liaison

Nacco Industries' Otes Bennett Jr.

The company's overall financial numbers show just how much improvement Bennett orchestrated. In 1986 sales climbed 19.8% over 1985, to $597 million, and net income was up 47% to $37 million. With long-term debt of the parent company at $1.2 million and shareholders' equity of $181 million, earnings stability is high. Nacco obviously has plenty of staying power to ride out the current depressed market. And, despite Bennett's planned retirement in July, that seems to be exactly what investors should expect.

Coal

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Nacco Industries	70/55	1	18.1%	22.8%	378.3%	6.2%	6	3.4%	19.8%	1	65.7%	46.7%	high
PacifiCorp	23/NA	2	15.6	13.7	106.8	11.8	1	14.2	3.4	2	7.1	–13.5	average
Montana Power	24/21	3	14.4	18.2	74.7	19.7	4	4.7	15.3	3	1.2	111.0	very low
Eastern Gas & Fuel	38/DP	4	6.4	11.3	76.2	4.2	3	4.9	–6.5		NM	D–P	NM
Westmoreland Coal	86/•	5	def	11.3	29.5	3.4	5	4.2	1.3		NM	D–P	NM
Pittston	48/•	6	def	1.7	11.2	0.7	8	–13.0	0.7		NM	D–P	NM
AMAX	39/NM	7	def	def	112.7	def	7	–8.3	–32.7		NM	D–D	NM
Cyprus Minerals	55/•		NA	def	18.9	def	2	7.9	31.7		NM	D–D	NM
Industry medians			6.4	11.3	75.5	3.8		4.5	2.4		NM	–13.5	
All-industry medians			12.6	13.0	46.0	3.9		7.1	3.9		–0.9	2.8	

• 90% or more. **DP:** Segment deficit, total profit. D–D: Deficit to deficit. D–P: Deficit to profit. def: Deficit. NA: Not available. NM: Not meaningful. For further explanation, see page 61.

companies diversified into a wide range of businesses—from forklift trucks to telecommunications and financial services.

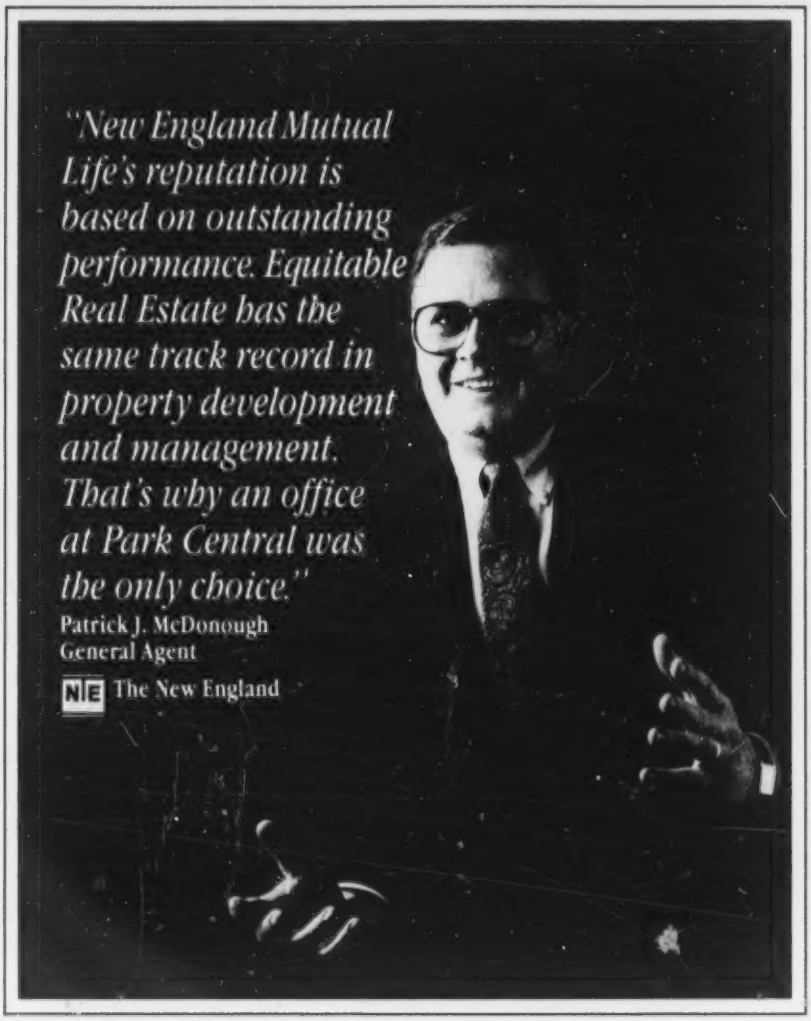
Were it not for diversifications and cutbacks, the industry would be in parlous shape. Plunging oil prices prompted some utilities to switch from coal to oil. Steel, a primary customer, also continued to falter. Coal exports suffered as well, slipping to 86 million tons, a decline of nearly 24% since 1981.

In 1986, as a result, coal production declined 2 million tons, to 884 million tons. The weaker dollar was no help since most foreign competitors were suffering from even weaker currencies. A momentary demand increase is expected this year in anticipation of a potential United Mine Workers strike in January of 1988. But after that the outlook is for more of the slowdown that characterized the industry last year.

A momentary demand increase is expected this year in anticipation of a potential United Mine Workers strike in 1988. But after that the outlook is for more of the decline that characterized last year.

The companies that have done best in this environment, almost without exception, are those that have diversified away from coal and into other markets. The two newcomers to our chart, PacifiCorp (electric) and Montana Power (electric-gas), are both diversified utilities. PacifiCorp's declining coal sales were offset by higher telecommunications revenues from Pacific Telecom. Montana Power is benefiting from an $80.4 million rate increase received in 1985.

Other companies, such as Eastern Gas & Fuel Associates, held on through employee reductions and by closing unprofitable mines. Pittston Co. should record at least some productivity gains from new equipment in 1987. Amax, which is in the midst of a major restructuring, is holding on to coal, gold, aluminum and molybdenum operations while discarding investments in nickel, iron ore, lead, copper and agricultural chemicals. Cyprus Minerals, hobbled when LTV Steel went into bankruptcy last summer, is now expected to supply two-thirds of its original 2.8-million-ton coal contract to the steelmaker. But thanks to acquisitions, Cyprus' revenues are up 32%. ■



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COMMUNICATIONS MEDIA

It was a year for the history books. All three networks changed hands, TV station prices finally hit a wall and advertisers discovered lots of new ways to get their messages across.

By Alex Ben Block

IN ALL OF AMERICAN BUSINESS, no industry last year experienced more buying and selling of companies, often at preposterously high prices, than this one did. From cable properties that seemed to leap in value by the week, to newspapers and magazines that were snapped up almost as soon as they came onto the market, America's communications media increasingly took on the look of a giant investment souk as 1986 progressed. Why the frenzy? In a phrase, cash flow. Undervalued on Wall Street for years, these firms have nonetheless been able to generate rivers of cash decade after decade. In 1986 that cash became the financing medium for everything from corporate takeovers to leveraged buyouts by insider managements.

One week into 1986 saw the first sale of a broadcast network in 32 years. But Capital Cities Communications' takeover of American Broadcasting Co. for $3.2 billion was only the beginning. Next to go was NBC, which disappeared into the grip of General Electric when that manufacturing giant acquired NBC's parent corporation, RCA, in June for $6.3 billion. After that came a succession of upheavals at CBS, which ousted Chairman Thomas Wyman in September and turned [illegible] control to an outside investor, Laurence Tisch, whose operating company, Loews Corp., had acquired a 25% stake in the broadcast firm.

Did the suitors pay too much and buy too late? There is at least tentative reason to think so. For three decades the networks had enjoyed almost uninterrupted annual increases in ad revenue and the value of their owned and operated stations. But in 1986 something changed. Network audiences, slipping already—thanks to competition for viewers from cable, syndicated programming and the videocassette boom—fell to only about 80% or so of potential viewers.

Declining audience shares squeezed advertising revenues, which in the past had risen at a steady 10% annual clip or

Most improved

If numbers alone told the story, several communications media companies would be candidates for most improved. But the percentage gains enjoyed by many of the leaders mostly reflect expensive acquisitions and nonrecurring gains from asset sales. By contrast, Orlando, Fla.-based Harcourt Brace Jovanovich is at the beginning stage of a very solid upswing that promises to keep it growing rapidly well into the 1990s. Having shed slower-growing divisions and cut costs, HBJ has positioned itself perfectly to capitalize on the baby boom echo—children of the post-WWII population explosion. Not only is Harcourt the leader in elementary and high school textbooks, but it now also operates family-oriented theme parks like the Sea World facilities in Orlando, Cleveland and San Diego. The parks are also benefiting, says HBJ's feisty, longtime chairman, William Jovanovich, because "more Americans are traveling domestically rather than internationally, and 'eating out' has become a dominant feature of American family life." Harcourt sales for all of 1986 will be up by an estimated 31%, while earnings per share will rise 19%, to $1.80 to $1.90. Last month HBJ added more muscle to its schoolbook operations with its $500 million acquisition of CBS' Educational & Professional Publishing Division. Jovanovich thinks he can boost the division's earnings by perhaps 25% over 1985 levels of an estimated $40 million, bringing at least $50 million into the company's coffers. The stock market properly rewarded HBJ in 1986. Its stock is up nearly 60% over 1985 levels, to 33. Of course such growth has its price. HBJ is among the most highly leveraged stocks in this group. Is that a problem? Not really, since HBJ has a number of hidden assets, including undervalued real estate and plenty of cash flow to service the debt.

Walt Johnson/Picture Group

HBJ's William Jovanovich

better. In 1986 they climbed 2%. That, in turn, at last put a ceiling on the value of broadcast properties. Peaking prices brought a flood of sellers to market at a time when margins were already being squeezed by rising programming costs. A bellwether: Taft Broadcasting was able to get only $240 million for five big-city independents, about half what they had been expected to fetch.

No longer able to pass on higher costs to advertisers, the new network bosses reacted by cutting budgets, slashing staffs and selling off assets. Even Hollywood has been placed on notice that costs must be controlled.

Advertising, publishing, newspapers and magazine properties also changed hands rapidly, and for much the same reasons. West German communications giant Bertelsmann A.G. paid $500 million for Doubleday & Co. Gannett snapped up the Detroit *News* for about $160 million and the Louisville *Courier-Journal* for about $300 million. The Times-Mirror Co. of Los Angeles paid about $450 million for the Baltimore *Sun*. Time Inc. gave up on *Picture Week* magazine after spending about $15 million in tests, and shortly thereafter announced plans to pay $44 million for half-interest in *McCall's* magazine and several other properties. The year now beginning will undoubtedly see more such churning about by the giants, but will the feeding frenzy of 1986 repeat itself? Not likely. ■

Communications media

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Publishing													
Dun & Bradstreet	64/76	1	36.6%	24.8%	0.0%	10.8%	1	18.9%	18.0%	4	23.3%	17.9%	average
Dow Jones	•/•	2	31.4	29.5	15.3	16.1	4	14.6	8.3	8	18.9	33.6	very high
Deluxe Check	•/•	3	31.0	32.9	3.2	13.7	10	11.9	14.2	7	20.0	17.2	very high
Washington Post	81/69	4	25.4	27.5	84.0	8.2	14	10.1	9.5	3	31.2	–12.1	very high
McGraw-Hill	•/•	5	22.4	19.6	0.2	9.9	18	8.3	5.0	14	11.6	3.4	very high
Jostens	20/NA	6	22.2	20.9	129.9	6.8	11	11.1	11.6	17	9.1	9.0	very high
New York Times	•/•	7	21.9	21.8	32.8	8.3	6	13.7	13.9	5	22.1	10.5	very high
Gannett	78/74	8	21.6	20.9	73.0	10.1	8	12.6	22.2	15	10.5	7.1	very high
Capital Cities/ABC	62/47	9	20.9	13.6	102.9	4.4	2	16.9	218.0	11	16.3	–13.5	very high
Time Inc	59/54	10	19.4†	33.9	73.9	11.3	5	14.3	11.1	2	34.6‡	92.1	very high
Meredith	71/54	11	19.1	14.3	15.8	7.3	19	5.4	16.2	12	14.9	–16.1	very high
Times Mirror	67/68	12	18.6	37.6	51.8	12.5	16	9.6	2.1	13	13.1	49.5	very high
American Greetings	•/•	13	18.1	15.0	53.3	6.9	3	15.4	9.5	6	20.7	–6.6	very high
RR Donnelley	•/•	14	17.5	16.8	1.4	7.1	7	13.0	7.0	10	16.9	5.4	very high
Knight-Ridder	•/NA	15	15.9	19.1	50.3	7.4	15	9.7	7.6	16	9.6	7.8	very high
Macmillan	76/87	16	15.7	22.0	43.8	7.2	20	4.7	25.0	1	46.7	32.8	very high
Media General	43/73	16	15.7	11.2	64.1	5.6	9	12.6	8.5	19	4.8	1.9	average
Pittway	25/36	18	15.5	11.8	7.3	5.3	12	10.5	10.2	20	3.8	3.7	low
Harcourt Brace	53/48	19	14.7	22.0	86.9	6.7	13	10.1	21.3	9	18.2	35.9	low
Tribune	64/67	20	11.8	34.5	46.0	15.6	17	9.3	3.8	18	8.9	162.2	low
Gulf & Western	21/20	21	7.9	11.7	74.6	6.4	21	–13.8	11.7		NM	2.7	NM
Medians			**19.1**	**20.9**	**50.3**	**7.4**		**11.1**	**11.1**		**16.3**	**7.8**	
Broadcasting													
Capital Cities/ABC	37/52	1	20.9%	13.6%	102.9%	4.4%	2	16.9%	218.0%	2	16.3%	–13.5%	very high
Time Inc	40/45	2	19.4†	33.9	73.9	11.3	3	14.3	11.1	1	34.6‡	92.1	very high
Meredith	23/46	3	19.1	14.3	15.8	7.3	4	5.4	16.2	3	14.9	–16.1	very high
CBS	58/73	4	10.4	30.7	85.0	4.5	5	4.3	2.1	5	–24.7	500.0+	average
Tele-Communications	•/•	5	6.8	21.9	301.2	13.9	1	35.5	12.3	4	9.5	D–P	low
Medians			**19.1**	**21.9**	**85.0**	**7.3**		**14.3**	**12.3**		**14.9**	**39.3**	
Media services													
Dun & Bradstreet	35/23	1	36.6%	24.8%	0.0%	10.8%	1	18.9%	18.0%	1	23.3%	17.9%	average
Ogilvy Group	•/•	2	20.4	19.8	5.1	5.4	2	13.5	15.8	3	13.7	4.1	high
Interpublic Group	•/•	3	17.7	19.4	10.0	5.4	3	10.6	16.8	4	12.3	24.2	high
JWT Group	•/•	4	12.0	15.3	16.3	3.2	4	10.0	13.9	2	19.8	20.6	very low
Omnicom Group	•/•		NA	NA	18.8	0.2		NA	NA		NA	NA	NA
Medians			**19.1**	**19.6**	**10.0**	**5.4**		**12.1**	**16.3**		**16.8**	**19.3**	
Industry medians			**19.1**	**20.9**	**46.0**	**7.3**		**11.5**	**12.0**		**15.6**	**9.0**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

•90% or more. D–P: Deficit to profit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. For further explanation, see page 61.

COMPUTERS AND ELECTRONICS

There was a lot of motion, but not much progress, last year in the making and marketing of computers, semiconductors and electronic equipment.

By Marc Beauchamp

A SLUGGISH ECONOMY, weak capital spending, tax reform, corporate restructuring, shortage of software . . . those were the ingredients for yet another no-growth year in the beleaguered computer industry. A few companies, such as Apple, Digital Equipment and Tandem Computers, bucked the trend. But not since the 1970-71 computer slump had so much of the industry wallowed in so deep a funk as firms thrashed about in search of a strategy for renewed growth.

Motion, if not progress, was everywhere. Burroughs and Sperry merged. Control Data restructured. AT&T began a retreat from personal computers. Honeywell transferred control of its computer business to Japan's NEC and France's Groupe Bull. IBM, net profits off an estimated 16% for the year, reduced its work force through a hiring freeze and

Computers and electronics

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Computers													
Apple Computer	•/•	1	44.6%	26.9%	0.0%	8.1%	1	72.4%	–0.9%	4	27.5%	141.4%	average
Intergraph	•/•	2	36.5	17.2	2.8	11.5	3	58.4	22.8	1	65.5	–2.3	very high
Tandy	31/NA	3	34.0	16.8	14.0	6.4	12	16.2	6.5	8	15.0	2.3	average
Telex	88/•	4	32.4	26.5	35.6	9.4	6	33.7	16.0	2	50.4	12.9	very high
IBM	•/•	5	24.9	19.0	13.3	11.8	13	14.6	8.6	7	15.2	0.3	very high
Prime Computer	•/•	6	24.3	12.9	3.5	6.0	7	22.7	14.9	11	10.4	–9.6	average
Wang Laboratories	•/•	7	21.1	1.2	44.5	0.5	5	34.7	13.6	18	–13.0	D–P	very low
Carlisle Cos	21/ 5	8	20.3	8.8	15.4	3.8	20	6.0	–9.5	15	–2.0	–41.5	very low
SCI Systems	•/•	9	19.0	13.3	69.1	3.1	2	71.7	–17.6	3	38.7	0.0	very high
Hewlett-Packard	86/NA	10	18.8	13.0	2.8	7.3	11	16.6	9.2	9	15.0	5.8	high
Tandem Computers	•/•	11	15.6	14.2	1.2	8.3	4	40.5	23.0	6	16.5	75.6	average
NCR	•/NA	12	14.3	14.3	5.4	7.1	22	5.5	13.0	12	9.6	11.6	high
Harris Corp	32/ 9	13	13.1	7.1	20.3	3.0	16	10.1	–8.7	16	–8.8	–7.7	average
Digital Equipment	•/•	14	12.5	13.5	5.8	9.1	8	22.0	17.8	13	1.9	80.6	very low

• 90% or more. **DD**: Segment deficit, total deficit. **DP**: Segment deficit, total profit. **PD**: Segment profit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. ‡‡Three-year growth. For further explanation, see page 61.

attrition and shifted 2,800 employees from administrative jobs to sales.

The news was even worse in the semiconductor industry, which lost an estimated $800 million during the year. Advanced Micro Devices abandoned its longstanding "no layoffs" policy. AMD, Texas Instruments and Intel all announced big writedowns.

U.S. chipmakers continued to complain about unfair competition from Japan even as they rushed to line up "strategic alliances" with Japanese manufacturers. The Commerce Department got Japan, which during the year became the world's number one chip market, to promise not to sell chips below "fair market value" in the U.S. The deal angered U.S. customers of Japanese chips, and did little to stop dumping by Japanese producers in third countries.

Through it all, Japanese companies continued to expand their presence in the U.S. In October Fujitsu offered a reported $225 million for an 80% stake in a new company that combines its U.S. chip business with Schlumberger's Fairchild Semiconductor subsidiary. If the deal isn't blocked by Washington, Fujitsu will overnight become a major player in high-margin specialty chips. Following Fujitsu's move, Toshiba and Motorola announced plans to build a joint plant in Japan and to exchange microprocessor and memory chip technology. Hitachi is rumored to be looking for a similar tie-up.

To cope with overcapacity, U.S. and Japanese chipmakers slashed capital spending. That's more bad news for makers of steppers, etchers and test equipment. GCA Corp., the U.S. leader in steppers—used to lay down circuits on silicon wafers—flirted with insolvency, while Nikon and Canon gained market share. Stung by the chip slump, Eaton and Varian announced cutbacks.

The outlook for 1987: Unless the economy booms, don't look for an early end to the slump. Tax reform means accelerated depreciation will now be canceled out by the loss of the investment tax credit. Leaner corporate staffs mean fewer executives reading computer printouts or massaging terminals on their desks. And absent a big rebound in computers, no dramatic recovery seems in store for U.S. chipmakers. In short, in 1987 look for more of 1986—with a bit more debt and a bit less shareholder equity to help investors rest easy at night. ■

Computers and electronics

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Honeywell	29/34	15	12.0%	8.7%	28.0%	3.2%	21	5.6%	9.1%	14	–1.7%	20.4%	very low
Computervision	•/DD	16	11.2	def	81.6	def	10	17.9	–2.5		NM	D–D	NM
Unisys	•/•	17	8.5	10.1	117.8	4.0	15	12.1	33.7	5	22.2	10.4	high
Data General	•/•	18	8.2	0.8	34.9	0.5	14	14.0	2.4	17	–10.2	–77.2	very low
Amdahl	•/•	19	7.5	4.6	32.7	2.4	9	19.2	6.6	10	11.0	–35.3	very low
General Instrument	29/PD	20	7.1	def	6.0	def	24	–0.4	–10.7		NM	D–D	NM
Zenith Electronics	30/NA	21	5.8	def	64.8	def	17	7.5	9.6		NM	P–D	NM
Datapoint	•/DD	22	2.0	def	42.1	def	18	6.5	–14.5		NM	D–D	NM
Gould	35/PD	23	2.0	def	65.9	def	25	–8.9	–21.5		NM	D–D	NM
Control Data	•/•	24	0.0	def	47.9	def	19	6.1	–7.8		NM	D–D	NM
Storage Technology	•/DD	25	def	NE	NE	2.3	23	–0.1	3.6		NM	D–P	NM
Compaq Computer	•/•		NA	25.4	44.7	6.2		NA	29.2		NA	52.3	NA
Medians			**13.1**	**9.5**	**24.2**	**3.5**		**14.6**	**7.6**		**1.9**	**–1.0**	
Electronic equipment													
EG&G	•/•	1	29.7%	24.5%	3.3%	4.3%	3	13.9%	1.8%	2	16.1%	–7.1%	very high
AMP	•/•	2	20.2	14.0	3.9	7.6	8	9.2	12.0	5	1.5	10.3	very low
Pitney Bowes	87/88	3	18.2	20.2	17.5	8.4	11	7.6	8.3	3	14.4	11.9	high
Bairnco	28/25	4	15.1	12.1	55.5	3.6	1	33.0	10.3	1	25.7	–12.2	very high
Perkin-Elmer	46/41	5	14.1	10.3	12.0	5.3	14	4.3	–0.4	8	–0.9	–13.6	very low
Tyler	35/ 5	6	14.0	6.3	111.8	1.3	9	9.2	3.1	9	–1.7	–38.9	very low
Tektronix	•/•	7	13.4	6.0	1.3	3.7	10	7.8	–5.5	7	0.8	–32.3	very low
M/A-Com	•/•	8	13.0	2.7	48.8	2.2	2	19.1	–31.6	6	0.9	–68.5	very low
North Amer Philips	27/31	9	12.2	4.5	48.1	1.1	6	11.4	4.3	4	2.0	–50.9	very low
General Signal	48/49	10	12.1	3.8	13.6	2.1	16	2.8	–7.1	13	–12.7	–67.0	average

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Most improved

Two years ago Apple Computer, Inc. was a disaster in the making, with slumping sales for its workhorse product, a feuding top management and, looming over everything, the presence of a competitor 25 times its size. Today Apple stands as the most improved company in an otherwise troubled industry. Shareholders can thank its chairman and chief executive officer, John Sculley. Brought in to run Apple by cofounder Steven Jobs in 1983, he wrote a turnaround program that improved relations with dealers and averted a potentially fatal confrontation with IBM in the office computer market through new computers that offer the option of IBM compatibility.

Recalls Sculley: "A little over a year ago people felt we were taking too high a risk. By spring they felt we were taking the right steps but were unsure if they would work. By autumn people had a high level of confidence."

Today Apple fetches more than $40 a share—versus $20 a year ago—and analysts are still issuing buy recommendations. Despite flat sales of $1.9 billion for the year ended Sept. 26, Apple's earnings per share more than doubled, to a record $2.39. Its net profit margin also more than doubled, to 8.1%, thanks to plant closures and tighter inventory and production controls. At fiscal year-end Apple had $576 million in cash and no long-term debt.

Apple Computer's John Sculley Ed Kashi

This year Apple will have to grow through sales. New products are on the way to penetrate markets outside the home and schools, Apple's strengths.

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Honeywell	41/43	11	12.0%	8.7%	28.0%	3.2	12	5.6%	9.1%	9	–1.7%	20.4%	very low
Varian Associates	77/77	12	9.6	def	12.7	def	7	10.4	–8.4	11	–4.1‡‡	P–D	very low
Eaton	57/33	13	9.2	10.6	36.7	3.9	15	3.2	4.0		NM	–39.2	NM
Corning Glass Works	28/42	14	9.0	13.6	23.5	9.0	17	2.1	7.1	12	–4.3	70.1	low
Sun Chemical	18/16	15	8.0	12.5	89.3	4.8	5	12.0	–41.1	14	–23.7	25.3	average
General Instrument	47/DD	16	7.1	def	6.0	def	18	–0.4	–10.7		NM	D–D	NM
Natl Semiconductor	43/PD	17	6.6	def	19.8	def	4	13.1	–6.6		NM	D–D	NM
ADT	•/DD	18	5.9	def	20.5	def	13	5.3	–5.6		NM	P–D	NM
Gould	36/DD	19	2.0	def	65.9	def	19	–8.9	–21.5		NM	D–D	NM
Medians			**12.1**	**6.3**	**20.5**	**3.2**		**7.8**	**–0.4**		**–1.7**	**–38.9**	
Semiconductors													
Advanced Micro	•/DD	1	18.1%	def	48.7%	def	1	22.8%	–15.2%		NM	P–D	NM
Avnet	77/77	2	13.8	3.5%	17.2	1.6%	7	4.8	0.0	1	–4.7%	–38.2%	very low
Motorola	30/DP	3	12.7	7.4	25.0	3.1	4	13.6	4.3	2	–10.6	8.5	very low
Intel	•/•	4	9.3	def	22.4	def	2	14.6	–16.1	3	–39.0	P–D	very low
General Instrument	23/DD	5	7.1	def	6.0	def	8	–0.4	–10.7		NM	D–D	NM
Natl Semiconductor	56/DD	6	6.6	def	19.8	def	5	13.1	–6.6		NM	D–D	NM
Texas Instruments	39/DP	7	5.7	def	10.8	def	6	5.7	–7.4		NM	D–D	NM
Arrow Electronics	•/•	8	1.2	def	131.1	def	3	14.2	–10.5		NM	D–D	NM
Medians			**8.2**	**def**	**21.1**	**def**		**13.4**	**–9.0**		**NM**	**P–D**	
Industry medians			**12.2**	**6.3**	**20.5**	**3.0**		**10.9**	**1.8**		**–4.2**	**–35.3**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

•90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. ‡‡Three-year growth. For further explanation, see page 61.

CONGLOMERATES

Though these companies rarely compete, they pursue the same strategy: Restructure early and often.

By Laura Jereski

TO JUDGE BY ITS RESULTS, modern portfolio management theory when applied to corporations has been a dud. The idea, of course, is to diversify away from cyclical risk and so improve long-term return. No such luck for many of the diversified companies on our list. They consistently underperform the averages. Over the last five years, return on equity for the group was a dismal 11.8%, compared with a 12.6% average for all industry. This year earnings per share shrank 20.1%, vs. a 2.8% rise for all industry. And the market knows it. These stocks tend to sell at lower P/Es and price-to-book multiples than the S&P's 500.

Result: These companies are driven to churn their business mix and capital structure constantly. This year diversified companies, vulnerable to takeover or plunder, went on the

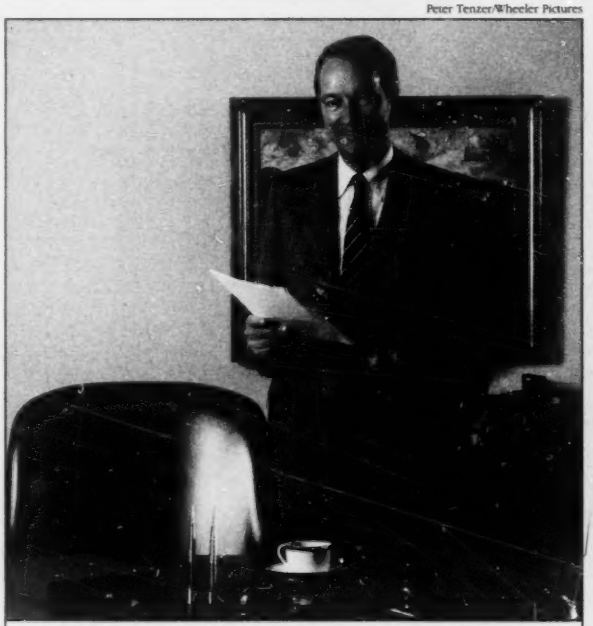
Most improved

A surprising midyear decision—taking a T out of ITT—earned for that firm the title of most improved among diversified companies for 1986. Out went moneylosing telecommunications, and in its place came a greater emphasis on equity earnings from higher-margin, off-balance-sheet insurance and finance subsidiaries. That now promises a future of lower debt and a smaller equity base, too. Return on equity, an unimpressive 4.6% in 1985, should more than triple by the end of 1987.

Rand Araskog, chairman and chief executive officer, guided ITT in this redeployment. In February he foreclosed on the firm's telephone switch business, where the company had lagged far behind market leaders AT&T and Northern Telecom. Five months later he startled investors by announcing a joint venture with France's Compagnie Générale d'Electricité. The venture will include all of ITT's telecommunications business, which last year contributed 23% of revenues but only 10% of profits.

The result of these and other redeployments? "It's the best balance sheet this company has had in 15 years," says Goldman, Sachs' Jack Kelly. On top of the $1.5 billion or so in cash ITT will get, another $800 million in debt will go into the joint venture. ITT hopes to pay down another $300 million in long-term debt out of $3.8 billion in total debt at the end of the third quarter. The rest may be used to buy back outstanding shares, reduce debt further or make new acquisitions.

Peter Tenzer/Wheeler Pictures



ITT Chairman Rand Araskog

defensive and stepped up the pace.

One company, Figgie International, capped a reverse stock split with a public offering, using the proceeds to pay down $100 million in long-term debt. Debt-to-capital now stands at 24%, compared with over 45% a year ago. Sales in the largest division, fire safety and protection, perked up, as have results in the unconsolidated financial and insurance subsidiaries.

Insurance and finance subsidiaries pulled the weight for other companies, too. Insurance and equity income masked stagnant results in Teledyne's core businesses. In the fourth quarter the company spun off its Argonaut casualty insurance division as a dividend to shareholders, possibly as a prelude to a share buyback. Similar strengths buoyed results at Textron and Berkshire Hathaway.

Others weren't so fortunate. Troubles in energy-related business, such as Litton's exploration operation, which underwent a $149 million writedown, cut into earnings, as they did at Tenneco, Harsco and W.R. Grace. The latter also suffered from weak demand for its agrichemical products, which drove income from continuing operations down 93% through the first nine months, as against the same period of 1985. Efforts to restructure by selling off divisions stalled, forcing down return on equity for the past 12 months to 60% of the five-year average.

Other expected divestitures: the troubled Piper Aircraft division of Lear Siegler, which is itself set to be taken private early this year; Moore McCormack's steel service division; and what's left of IC Industries' railroad properties, the subject of a third-quarter $520 million pretax charge. Allegheny International, struggling to recover from Chairman Robert Buckley's profligate regime, must divest vigorously in order to redress a balance sheet burdened with some half a billion dollars of debt.

Where's the action for investors? Some companies are worth more dead than alive. Goldman, Sachs' Jack Kelly routinely calculates price/book ratios. Last January ITT, then selling slightly under book value, was the cheapest on his list. Since then the shares have appreciated 65%, to a recent 52. This year's deadbeat: Kidde, currently selling at around book value. ■

Conglomerates

Yardsticks of management performance

	Profitability					Growth						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Teledyne	1	26.5%	18.4%	35.9%	9.0%	17	2.3%	–2.3%	3	23.3%	–41.1%	average
Dover	2	21.7	14.3	11.2	6.3	7	10.1	–1.7	6	4.7	–4.2	average
Fuqua Industries	3	20.0	22.4	140.3	6.0	28	–6.4	–8.8	4	12.6‡‡	41.9	low
American Brands	4	19.8	14.6	26.3	6.5	15	2.5	24.5	11	1.3	–11.4	low
Litton Industries	5	19.3	7.4	144.4	1.6	22	0.4	–1.5	13	0.0	–65.3	very low
Raytheon	6	19.1	20.3	2.8	5.6	12	4.4	11.4	9	1.6	14.1	very low
Minn Mining & Mfg	7	19.0	18.4	12.3	8.8	10	5.4	8.9	12	0.9	9.0	very low
Lear Siegler	8	18.5	9.7	34.3	2.4	8	9.7	7.1	7	3.9	–35.6	average
Berkshire Hathaway	9	17.4	27.3	6.9	26.8	4	15.2	138.9	1	46.3	140.5	very high
Alco Standard	10	15.3	12.5	73.4	1.3	6	10.7	13.1	15	–2.1	15.1	low
Figgie International	11	14.8	16.2	25.8	4.2		0.1	15.2	8	3.6	37.0	low
Intermark	12	13.5	def	322.6	def	3	30.3	2.0		NM	D–D	NM
DWG	13	13.1	def	505.7	def	2	31.2	3.4	18	–13.4	D–D	very low
Kidde	14	12.6	3.5	60.1	1.1	27	–4.7	–2.5	17	–6.2	–68.7	high
Harsco	15	11.9	10.3	24.4	4.2	19	1.6	–11.0	14	0.0	–21.9	very low
Insilco	16	11.8	9.0	39.8	3.9	11	4.8	–8.6	16	–2.3	–10.6	very low
WR Grace	17	11.6	6.8	91.7	2.5	25	–2.0	–24.1	19	–16.8	–7.6	high
Tenneco	18	11.2	def	115.8	0.3	18	1.7	0.0	22	–28.5	P–D	high
Textron	19	10.7	15.7	74.5	5.3	16	2.3	–14.3	5	12.2	22.6	low
ITT	20	9.0	5.7	42.2	2.8	30	–9.2	8.4	20	–19.2	–20.1	very high
IC Industries	21	8.4	def	100.7	def	20	0.8	–3.6	10	1.3	P–D	very low
Jim Walter	22	8.0	14.0	75.9	6.0	14	3.3	1.2	2	31.1	13.5	average
Penn Central	23	7.9	5.7	10.6	4.2	21	0.4	–5.1		NM	–16.1	NM
Moore McCormack	24	6.2	def	83.0	def	26	–4.3	–29.8	21	–21.7	P–D	average
Amfac	25	0.2	def	80.9	def	13	4.3	–3.4		NM	D–D	NM
IU International	26	def	def	90.0	def	24	–1.7	–36.6		NM	D–D	NM
GATX	27	def	8.3	591.5	4.9	29	–8.0	–24.3		NM	D–P	NM
Chromalloy American	28	def	11.1	47.0	3.5	31	–9.6	–5.2		NM	D–P	NM
Allegheny International	29	def	def	149.1	def	5	12.5	–9.7		NM	D–D	NM
NVF	30	def†	def	NE	def	9	6.9	–10.9		NM	D–D	NM
Pullman-Peabody	31	NE	26.0	56.9	2.9	1	199.7‡‡	56.3		NM	–14.9	NM
Industry medians		**11.8**	**9.0**	**60.1**	**2.9**		**2.3**	**–2.3**		**–2.3**	**–20.1**	
All-industry medians		**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡‡Three-year growth. For further explanation, see page 61.

CONSTRUCTION

It is one of the economy's most notoriously cyclical industries, and a strong residential building program rescued it in 1986. But that won't cover all the cracks that are now beginning to appear in the construction business.

By Jack Willoughby

EVERY THREE YEARS OR SO construction goes from boom to bust, and that is what is happening now once again.

The dollar value of construction has increased 50% in the last four years, so . . . get ready for bust. "We're headed for a downturn as severe as both of the cycles during the 1970s," says George Christie, chief economist for construction forecaster F.W. Dodge. "We see cracks in the system already."

Construction has had an increasingly schizophrenic look for a year now. Nonresidential construction—such as projects for hospitals and office towers—weakened steadily throughout 1986. The biggest problem? The huge overhang of office space in major metropolitan centers. The vacancy rate in major metropolitan centers hit 22% by the third quarter of this year, according to a Coldwell Banker survey. Cutbacks in U.S. industrial output pose another problem. And import competition, which has reduced the need for new plant and equipment, should not be overlooked either. Texas has been particularly hurt by declining oil prices. With the pressure on to contain the federal budget deficit, there is little hope that public sector construction can pick up the slack.

So hard times are already here for commercial builders and engineering service companies that rely on big government or oil industry projects. With overseas contracts all but dried up, large companies like Blount, Inc. and Turner Corp. are turning to the crowded competition for domestic contracts.

In marked contrast to the commercial sector of the business, the residential market looked robust indeed in 1986. Lower mortgage rates fueled a rush of apartment- and home-buying in the first half of the year, and the backlog in new orders is still providing momentum.

But there's reason to expect schizoid behavior within the residential sector—single-family home construction healthy, multi-unit construction seriously off. If mortgage rates remain steady, single-family starts are expected to drop only

Construction

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Residential builders													
Pulte Home	●/●	1	24.6%	10.6%	10.5%	2.5%	2	23.1%	4.1%	5	17.2%	–12.6%	low
Fleetwood Enterprises	43/25	2	20.5	13.7	0.0	3.1	1	29.3	–2.6	1	121.7‡	–24.8	very high
Ryland Group	●/●	3	17.2	28.8	15.1	3.8	3	17.4	40.4	3	29.3	79.1	average
Centex	41/62	4	13.3†	15.2	11.5	3.5	6	7.9	6.2	6	17.0	19.8	low
Ryan Homes	●/●	5	10.1	15.7	11.1	4.1	5	9.5	8.6	4	17.9	13.6	low
Del E Webb	47/85	6	7.5	13.7	79.4	6.7	9	–6.5	–9.0	2	43.3	19.1	high
Skyline	68/55	7	6.2	8.5	0.0	3.4	7	2.9	–2.8	7	7.0	17.5	average
Kaufman & Broad	45/50	8	4.4	13.9	124.6	3.7	4	11.4	33.6		NM	10.7	NM
US Home	●/DD	9	def	def	98.3	def	8	–0.5	–17.3		NM	D–D	NM
Medians			**10.1**	**13.7**	**11.5**	**3.5**		**9.5**	**4.1**		**17.2**	**13.6**	

●90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. For further explanation, see page 61.

Most improved

Ryland Group Chairman C.E. Peck Katherine Lambert

The industry's most improved builder was clearly Maryland's Ryland Group Inc., which under Chairman C.E. (Ted) Peck adopted an expansion strategy of entering only one or two markets every year, no matter what the economic climate. Luckily, in 1986 Ryland found itself in the middle of the buying rush along the eastern seaboard. As a result, sales shot up 40% over the year before. Says Peck, "Our principle is to manage conservatively with little leverage, high asset turnover and very little money in land."

In 1986 that strategy paid off big for shareholders. Profits jumped nearly 80%, to about $2 a share, or more than three times what they were when the housing cycle last peaked, in 1979. Return on equity was almost 29%, well above its own five-year average of 17%. Says Barbara Alexander, analyst for Salomon Brothers Inc., "They do a superb job balancing corporate control with entrepreneurship in regional markets."

Construction

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Commercial builders													
Turner	●/●	1	24.3%	12.0%	65.3%	0.4%	13	0.6%	21.2%	2	9.6%	–19.9%	average
Dover	37/30	2	21.7	14.3	11.2	6.3	3	10.1	–1.7	3	4.7	–4.2	average
Blount	57/33	3	18.4	2.9	158.4	0.3	4	9.8	21.2	6	–4.6	–71.1	very low
United Technologies	29/28	4	14.2	10.9	37.5	3.0	7	4.7	2.0	7	–5.1	71.0	very low
Dynalectron	47/DP	5	14.0	3.1	6.1	0.8	5	8.6	10.4	8	–11.8	–73.0	very low
Foster Wheeler	36/10	6	13.8	5.9	35.9	1.9	16	–5.3	2.6	9	–16.2	–27.1	very high
Centex	47/ 7	7	13.3†	15.2	11.5	3.5	6	7.9	6.2	1	17.0	19.8	low
Morrison-Knudsen	69/12	8	13.1	10.1	9.2	1.9	11	2.4	4.6	4	2.5	–7.3	average
Halliburton	27/29	9	12.1	def	11.1	def	19	–9.7	–21.1	11	–37.2	P–D	high
Guy F Atkinson	76/77	10	11.5	5.8	7.8	1.2	15	–3.0	–5.4	5	1.9	NA	very low
CBI Industries	68/30	11	11.1	7.7	51.0	2.7	2	10.7	28.0		NM	D–P	NM
Fischbach	●/DD	12	10.9	def	23.6	def	12	0.7	30.9		NM	D–D	NM
Enserch	30/ 9	13	10.1	def	81.0	def	9	3.6	–13.4		NM	P–D	NM
American Standard	45/42	14	9.5	11.3	18.3	3.1	8	3.6	–7.3	10	–29.8	–10.4	high
Trinity Industries	57/PD	15	7.0	3.9	110.5	1.4	20	–11.1	–2.4		NM	D–P	NM
Perini	●/DP	16	6.1	3.5	43.0	0.4	14	0.0	–4.8		NM	D–P	NM
Butler Manufacturing	86/88	17	4.4	8.2	26.6	2.1	10	2.7	15.0		NM	51.0	NM
Fluor	76/DD	18	def	def	36.6	def	17	–5.6	16.0		NM	D–D	NM
Dravo	42/ 3	19	def	3.2	31.3	0.7	18	–8.7	4.1		NM	D–P	NM
Henley Group	NA/NA		NA	NA	3.0	def	1	24.5‡	NA		NA	NA	NA
Medians			**11.5**	**5.8**	**29.0**	**1.0**		**2.6**	**4.1**		**–29.8**	**–49.1**	
Cement and gypsum													
USG	49/82	1	16.1%	22.8%	20.8%	8.4%	1	12.9%	6.5%	1	24.2%	8.5%	average
Texas Industries	54/46	2	12.8	5.5	172.6	2.0	3	4.9	55.0	2	–17.6	–50.4	high
Moore McCormack	49/53	3	6.2	def	83.0	def	5	–4.3	–29.8	3	–21.7	P–D	average
Lone Star Industries	●/88	4	5.4	4.4	55.1	4.4	4	0.4	–5.5		NM	–69.8	NM
Lafarge	89/●	5	def	6.6	72.3	2.8	2	8.2	2.5		NM	500.0+	NM
Ideal Basic Inds	●/DD	6	def	def	NE	def	6	–7.7	–18.7		NM	D–D	NM
Medians			**5.8**	**5.0**	**63.7**	**2.4**		**2.7**	**–1.5**		**–21.7**	**–60.1**	

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slightly, from a robust 1.18 million units in 1986 to a healthy enough 1.12 million this year. But there is little doubt that the tax reforms taking effect in 1987 will hit the rest of the market hard. Says David Seiders, economist for the National Association of Home Builders: "The trouble spot is clearly apartments. Vacancy rates are hitting 20-year highs." Some experts expect a 23% decline in new apartments, dropping overall starts from 630,000 to 480,000 units.

What of ancillary industries? The sellers of lumber and building supplies did nicely during the year. Louisiana-Pacific, a leading supplier to home builders, saw earnings double during the year to about $60 million on sales of $1.5 billion. A tariff on imports of Canadian lumber helped alleviate import competition while it simultaneously helped boost profit margins for Louisiana-Pacific and other firms.

Could 1987 become a year of takeovers in home-building? Perhaps. Witness the $360 million tender for builder Ryan Homes Inc. by NV Homes, a tiny Virginia master limited partnership. John Stanley of Wertheim & Co. talks of a "new breed" of home builder like Denver's M.D.C. Holdings, unafraid of using leverage to compete with old-line builders like Kaufman & Broad Inc. ■

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Lumber													
Willamette Inds	34/15	1	8.8%	13.1%	44.8%	5.4%	4	5.0%	–1.9%	1	12.2%	–8.3%	very low
Potlatch	24/DP	2	6.4	10.5	62.8	5.6	6	3.5	0.2	2	–4.4	51.0	very low
Weyerhaeuser	47/52	3	6.0	7.2	53.1	4.5	5	4.3	1.2	5	–8.2	56.2	low
Georgia-Pacific	66/85	4	5.3	10.3	49.2	3.5	2	6.7	2.0	4	–7.5	500.0+	low
Boise Cascade	24/12	5	5.2	5.8	75.0	2.4	3	5.4	–1.0	3	–5.8	57.9	low
Champion Intl	26/17	6	3.3	6.7	82.3	3.9	1	9.0	–27.8		NM	D–P	NM
Louisiana-Pacific	84/•	7	2.9	6.9	25.1	3.7	7	3.0	16.6		NM	160.7	NM
Southwest Forest Inds	26/•	8	def	def	114.7	def	8	–0.5	–12.5		NM	D–D	NM
Medians			**5.3**	**7.1**	**58.0**	**3.8**		**4.7**	**–0.4**		**–7.9**	**56.2**	
Other materials													
Carlisle Cos	33/70	1	20.3%	8.8%	18.4%	3.8%	13	6.0%	–9.5%	15	–2.0%	–41.5%	very low
Tyco Laboratories	47/29	2	19.4	21.1	81.7	4.3	4	17.1	40.4	12	2.8	31.2	very low
Masco	•/•	3	18.6	19.2	67.9	14.4	8	8.0	42.2	8	9.8	30.4	high
Emhart	NA/NA	4	16.9	def	66.4	def	23	0.0	14.7	10	3.8	P–D	average
Stanadyne	43/69	5	16.5	13.1	10.6	5.5	18	3.9	5.4	6	16.7	–4.7	average
USG	42/17	6	16.1	22.8	20.8	8.4	5	12.9	6.5	4	24.2	8.5	average
Vulcan Materials	50/80	7	15.8	16.5	14.2	9.0	12	6.1	–3.7	13	0.2	17.0	very low
Bairnco	71/74	8	15.1	12.1	55.5	3.6	2	33.0	10.3	3	25.7	–12.2	very high
Tyler	21/42	9	14.0	6.3	111.8	1.3	6	9.2	3.1	14	–1.7	–38.9	very low
PPG Industries	36/40	10	13.8	17.7	51.1	6.6	10	7.1	6.3	9	9.4	13.8	average
GAF	49/17	11	13.4	24.0	45.7	9.9	22	2.2	3.0		NM	31.0	NM
Nortek	63/47	12	12.6	14.9	281.8	3.4	3	29.4	69.4	11	3.8	1.1	very low
DeSoto	73/79	13	12.1	5.1	33.0	1.6	17	3.9	0.8	7	12.7	–56.2	average
Insilco	28/30	14	11.8	9.0	39.8	3.9	15	4.8	–8.6	16	–2.3	–10.6	very low
Armstrong World Inds	75/78	15	10.6	15.8	6.9	6.2	14	5.0	13.1	5	22.6	17.5	average
Owens-Corning	78/76	16	10.5	4.6	52.5	1.2	7	8.0	20.0	2	26.3	–64.2	high
American Standard	24/37	17	9.5	11.3	18.3	3.1	19	3.6	–7.3	18	–29.8	–10.4	high
Ceco Industries	•/•	18	9.1	7.9	9.1	1.8	9	7.4	11.0	17	–4.1	–4.7	low
HH Robertson	80/DD	19	8.3	def	73.7	def	24	–0.1	–5.2		NM	D–D	NM
Jim Walter	31/18	20	8.0	14.0	75.9	6.0	20	3.3	1.2	1	31.1	13.5	average
CertainTeed	•/•	21	4.5	12.4	21.2	5.1	11	6.9	–1.3		NM	4.2	NM
Crane	73/77	22	1.2	15.3	154.4	2.1	27	–11.2	16.7		NM	–21.1	NM
First City Inds	48/53	23	0.9	def	349.9	def	1	41.9	7.4		NM	D–D	NM
Manville	76/76	24	def	7.6	41.0	4.5	25	–4.3	2.1		NM	D–P	NM
Koppers	55/NM	25	def	def	40.6	def	26	–5.4	–22.8		NM	D–D	NM
Temple-Inland	21/23		NA	8.6	27.6	6.1	16	4.5	–1.2		NA	–16.6	NA
York International	•/DD		NA	NA	22.9	1.1	21	2.9‡	NA		NA	NA	NA
Medians			**12.1**	**11.7**	**41.0**	**3.8**		**5.0**	**4.3**		**0.2**	**–10.5**	
Industry medians			**10.5**	**8.6**	**40.2**	**3.1**		**4.6**	**2.6**		**–5.1**	**–10.4**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

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CONSUMER PRODUCTS

Some improvement on the scoreboard, but playing conditions are still tough.

By Rita Koselka

WHILE HARDLY A BLOCKBUSTER, 1986 gave consumer product manufacturers little to weep about, and 1987 will be much the same. On the home front, industry titan Procter & Gamble got an impressive jump on competitors with its new Crest tartar-control toothpaste and grabbed 3% from Colgate-Palmolive's market share. Colgate fought back with its own version in the autumn and has since recovered much of its lost share. Similar tugs-of-war were fought over diapers and laundry and dishwashing detergents.

Among the makers of consumer electronics products, Emerson Radio topped the list. Earnings leapt as Emerson increased production in Taiwan and Korea. By contrast, the U.S. market for refrigerators, washers, dryers and other big-ticket appliances is now close to an oligopoly shared by Maytag, Whirlpool and General Electric.

The home furnishing sector, battling against low-cost Asian manufacturers for a decade, has little hope of winning protectionist legislation. But even without it, some companies made gains as three years of paring and pruning began to pay off. Of 15 companies in the group, 10 showed earnings gains over the last 12 months. Note, especially, Burlington Industries, which, after a tough year in 1985 brought on by intense price-cutting and heavy expenditures for plant clos-

Consumer products

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Appliances													
Emerson Radio	•/•	1	25.7%	35.1%	55.6%	3.1%	1	50.1%	60.8%	1	171.7‡%	54.4%	very high
Maytag	•/•	2	24.7†	20.2	14.9	5.5	3	15.0‡	NA	3	33.5‡	NA	very high
Emerson Electric	24/20	3	20.4	18.7	14.1	8.3	9	7.9	6.5	8	7.2	3.5	very high
Fuqua Industries	28/59	4	20.0	22.4	140.3	6.0	17	–6.4	–8.8	5	12.6‡‡	41.9	low
General Electric	NA/NA	5	19.8	17.4	29.7	7.7	14	2.0	15.0	6	9.7	3.7	very high
Whirlpool	•/•	6	18.0	17.1	13.0	5.3	8	9.3	16.5	4	12.9	21.9	very high
Pittway	40/31	7	15.5	11.8	7.3	5.3	7	10.5	10.2	9	3.8	3.7	low
Stanley Works	35/41	8	14.4	16.1	50.5	5.6	12	5.0	20.6	7	8.6	6.6	average
Briggs & Stratton	•/•	9	13.1	11.1	0.0	4.3	15	1.5	5.5	11	–3.2	2.8	very low
North Amer Philips	28/DP	10	12.2	4.5	48.1	1.1	6	11.4	4.3	10	2.0	–50.9	very low
Arvin Industries	23/ 5	11	11.5	17.0	22.5	4.8	4	14.7	6.9	2	36.8	19.1	very high
Roper Corp	•/•	12	8.8	22.8	79.5	3.1	11	7.0	4.1		NM	D–P	NM
Zenith Electronics	65/NA	13	5.8	def	64.8	def	10	7.5	9.6		NM	P–D	NM
First City Inds	26/18	14	0.9	def	349.9	def	2	41.9	7.4		NM	D–D	NM
Black & Decker	•/DD	15	0.4	def	43.9	def	13	3.3	2.7		NM	P–D	NM
Toro	•/•	16	def	21.1	27.6	3.8	16	–1.0	20.1		NM	21.5	NM
Allegheny International	NA/NA	17	def	def	149.1	def	5	12.5	–9.7		NM	D–D	NM
American Hoist	26/44	18	def	def	79.4	def	18	–10.7	–2.3		NM	D–D	NM
Premark Intl	NA/NA		NA	NA	43.2	1.2		NA	NA		NA	NA	NA
SSMC	78/•		NA	NA	16.5	def	19	–13.6‡	–6.7		NA	NA	NA
Medians			**12.7**	**16.6**	**43.6**	**3.5**		**7.5**	**6.7**		**2.9**	**3.6**	
Home furnishings													
Rubbermaid	•/•	1	20.2%	22.4%	9.4%	9.0%	2	16.8%	25.1%	2	25.6%	20.8%	very high
Leggett & Platt	79/82	2	20.0	19.5	48.4	5.6	3	16.6	21.6	3	19.3	18.8	very high
Shaw Industries	•/•	3	19.8	18.7	45.1	4.3	1	20.4	10.2	1	36.3	–1.4	high
Kidde	42/45	4	12.6	3.5	60.1	1.1	12	–4.7	–2.5	7	–6.2	–68.7	high
West Point-Pepperell	61/•	5	11.3	9.2	46.2	3.0	9	0.4	50.6	6	–4.8	48.7	very low
Interco	23/28	6	9.6	8.6	15.9	3.9	8	0.8	–1.2	8	–6.9	52.3	average
Corning Glass Works	24/ 1	7	9.0	13.6	23.5	9.0	6	2.1	7.1	5	–4.3	70.1	low
Springs Industries	49/•	8	8.8	5.3	60.9	1.6	4	3.8	65.6	4	1.8	52.6	very low
Fieldcrest Cannon	•/•	9	6.2	7.5	180.1	1.5	5	2.6	64.8	9	–10.4	213.5	low
Burlington Inds	33/72	10	5.8	5.0	33.2	2.0	10	–0.6	–0.9	10	–26.6	356.8	average

• 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ‡‡Three-year growth. For further explanation, see page 61.

ings and upgrading, enjoyed a spectacular earnings rise of 357% on flat sales in 1986.

Relatively unaffected by the loss of investment tax credits built into new tax legislation, most consumer products manufacturers should benefit from the lowering of corporate tax rates from an average of 46% for the industry to 34%. Most of the gain will undoubtedly be pumped back into the same strategies needed to play the game: new product development, holding prices down against foreign competition and retiring debt. ■

Most improved

For generations Colgate-Palmolive Corp. was viewed as the stodgiest and least imaginative consumer products manufacturer. But with the arrival in 1984 of President and Chief Executive Reuben Mark, now 47, fresh breezes began to blow. His changes earned C-P the rating of most improved in its industry for 1986. The Yardsticks, weighted toward the long view, don't yet reflect it.

Reuben Mark

Maria Robledo

Under Mark, Colgate has finished a vigorous cost-cutting campaign, accompanied by a barrage of new products like pump toothpaste and liquid dishwasher detergents. These efforts, plus the weakening U.S. dollar, sent earnings leaping 179%. C-P stock rose by 40% during the year, to $43 a share. As the fresh breezes blow, Chairman Mark is cultivating an entrepreneurial spirit at C-P. Says Mark: "I cover my mouth at meetings and let my managers do the talking."

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Mohasco	•/•	11	5.4%	6.1%	21.0%	1.8%	7	1.7%	0.7%		NM	–18.3%	NM
Talley Industries	29/ 5	12	1.2	11.6	120.8	3.9	13	–5.2	4.8		NM	14.8	NM
Anchor Hocking	75/62	13	1.1	def	44.5	def	14	–5.6	2.5		NM	D–D	NM
JP Stevens	39/51	14	0.9	7.9	34.3	2.3	11	–1.1	–10.8		NM	D–P	NM
Premark Intl	43/50		NA	NA	43.2	1.2		NA	NA		NA	NA	NA
Medians			**8.9**	**8.3**	**44.5**	**2.3**		**1.3**	**6.0**		**–6.6**	**20.8**	
Household products													
American Home Prods	32/20	1	34.3%	33.4%	1.7%	15.6%	4	3.9%	5.4%	2	10.9%	9.1%	very high
Clorox	89/•	2	20.0	18.9	7.0	9.1	1	10.5	–0.3	1	19.8	8.5	very high
Procter & Gamble	33/51	3	18.2	13.2	40.2	4.5	3	4.6	18.4	3	2.4	9.4	very low
Sterling Drug	43/NA	4	15.2	13.2	20.1	6.3	5	0.8	6.7	4	–0.6	–15.5	very low
Economics Laboratory	27/10	5	12.7	18.3	23.0	5.4	2	5.1	10.0		NM	10.7	NM
Medians			**18.2**	**18.3**	**20.1**	**6.3**		**4.6**	**6.7**		**2.4**	**9.1**	
Personal products													
Bristol-Myers	22/18	1	23.6%	22.7%	6.2%	12.0%	5	6.9%	9.1%	1	13.9%	6.6%	very high
Gillette	88/•	2	19.5	19.5	34.3	6.7	11	0.3	15.9	6	5.6	10.6	very high
Johnson & Johnson	43/40	3	19.4	10.9	8.1	5.2	6	5.3	9.5	3	7.0	–38.5	high
Shaklee	88/•	4	19.1	35.6	10.5	14.9	10	0.3	–2.0	10	–4.0	352.5	very low
Chesebrough-Pond's	31/46	5	19.0	17.6	106.2	4.5	1	12.1	21.3	11	–4.1	9.7	low
Procter & Gamble	40/48	6	18.2	13.2	40.2	4.5	7	4.6	18.4	7	2.4	9.4	very low
Hillenbrand Inds	54/68	7	17.7	17.3	47.5	7.3	2	9.4	20.7	2	7.5	24.5	high
Kimberly-Clark	76/68	8	15.1	14.8	27.1	6.1	3	9.0	7.6	5	6.1	–3.1	average
Schering-Plough	41/36	9	14.3	14.6	20.9	10.9	8	1.8	21.2	8	–1.7	13.6	very low
Avon Products	65/65	10	12.7	def	97.5	def	9	1.0	–5.4		NM	P–D	NM
Colgate-Palmolive	75/51	11	12.4	13.7	53.3	2.3	12	–2.4	6.6	12	–14.2	179.0	average
Greyhound	25/34	12	11.6	10.4	58.3	4.7	13	–16.0	2.9	9	–3.2	4.5	low
Scott Paper	67/59	13	10.3	14.9	111.3	5.6	4	7.8	10.3	4	7.0	15.1	low
Revlon Group	64/62	14	def	def	656.3	0.3		NA	1,799.3		NM	D–D	NM
Medians			**16.4**	**14.7**	**43.9**	**5.4**		**4.6**	**9.9**		**0.4**	**9.6**	
Industry medians			**12.7**	**13.6**	**41.7**	**4.5**		**3.9**	**7.4**		**–1.7**	**9.3**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

• 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ‡‡Three-year growth. For further explanation, see page 61.

ELECTRICAL EQUIPMENT

Core markets have matured, so winners will be those firms that diversify for growth.

By Edward F. Giltenan

SINCE MID-1984 THIS GROUP'S EARNINGS have steadily outperformed the S&P's 400. Reason: aggressive cost-cutting plus diversification. The latter is key because traditional equipment markets are growing at less than 5% per year and demand is weak for standard products like motors, generators and transmission gear.

Thus, in 1986 winners targeted markets in which they were already front-runners, dumped lines in weak markets and moved on. Take GE, which pushed further into service and technology businesses by completing acquisition of RCA for $6.4 billion and purchasing 80% of Kidder, Peabody. As a result of the RCA deal alone, GE enjoyed the most impressive sales growth in the Yardsticks, from 0.5% in 1985 to 15% last year.

Emerson Electric has led all others in return-on-equity for the last decade by cutting costs while sticking mainly to manufacturing businesses. Thus, last October Emerson bought Copeland Corp., the world's largest maker of compressors for air conditioners, for about $500 million.

This group's bright spots are consumer durables (appliances and components), defense electronics, the servicing of existing utilities and factory automation. Look for diversified companies with good positions in these markets to do well. ■

Most improved

Russ Kennedy

Danforth of Westinghouse

There's skepticism on Wall Street about Westinghouse. Much of its recent stock improvement is tied to an ambitious restructuring program that included the sale of Group W Cable for $1.7 billion, the closing of inefficient plants such as an outdated power transformer factory, and the repurchase of 33 million shares, or 19%, of its outstanding common stock. Still, Pittsburgh-based Westinghouse gets our vote for most improved company because it improved fundamental performance.

In the nine months ended last September, operating margins moved up to 7.4%, vs. 6.7% in the same period of 1985. Operating earnings moved up 16%, from $502 million to $585 million. With the fourth quarter typically the firm's best, H.P. Smith, electrical equipment analyst at Smith Barney, expects the full-year margin to reach 7.8%, up from 6.9% in 1985.

By comparison, GE's nine-month margin dropped from 10.8% to 9.1%, and Emerson's full-year margin (for the fiscal year ended Sept. 30) dipped from 15.9% to 15.3%.

"Westinghouse has positioned itself to be a unique company that can't be compared with anyone," says Chairman Douglas Danforth. The big question: Can Westinghouse make the smart acquisitions it needs to grow beyond the electrical equipment market?

Electrical equipment

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Emerson Electric	63/67	1	20.4%	18.7%	14.1%	8.3%	2	7.9%	6.5%	5	7.2%	3.5%	very high
General Electric	NA/NA	2	19.8	17.4	29.7	7.7	10	2.0	15.0	1	9.7	3.7	very high
National Service	39/41	3	18.9	17.1	4.9	5.6	1	8.2	7.7	2	9.0	5.3	very high
Square D	81/●	4	17.7	14.5	27.3	6.4	5	6.3	1.2	7	–2.4	–2.6	very low
Hubbell	●/●	5	17.5	18.3	2.5	9.6	7	4.1	9.1	3	8.0	14.3	high
WW Grainger	●/●	6	15.9	16.2	5.2	7.4	4	7.0	3.1	6	7.0	18.9	average
Westinghouse	73/64	7	15.8	19.8	20.9	5.9	6	4.1	6.9	4	7.4	25.7	high
Raychem	●/●	8	12.8	13.2	8.7	5.1	3	7.5	18.4	8	–6.5	51.8	high
Cooper Industries	46/60	9	12.4	11.0	76.9	4.1	8	3.7	32.9	10	–15.7	21.2	average
General Signal	20/22	10	12.1	3.8	13.6	2.1	9	2.8	–7.1	9	–12.7	–67.0	average
Industry medians			16.7	16.7	13.9	6.3		5.2	7.3		7.1	9.8	
All-industry medians			12.6	13.0	46.0	3.9		7.1	3.9		–0.9	2.8	

● 90% or more. NA: Not available. For further explanation, see page 61.

ELECTRIC UTILITIES

The days of big new power plants are over. Now electric utilities are cash cows and takeover targets.

By Barry Stavro

IN 1986 ELECTRIC UTILITIES FINALLY RIPENED into takeover targets bulging with cash flow. From last June's $377 million takeover of Alamito Co., an obscure Arizona electricity wholesaler, by a group of investors, to Saul Steinberg's attention-getting $58 million grab of a 4% stake in troubled Long Island Lighting Co., investors have begun eyeing electric utilities as one of the few undervalued bargains left on Wall Street.

Most improved

John Hillery

Consumers Power chief William McCormick Jr.

Why is Consumers Power Co., ranked dead last in the North Central region, rated as FORBES' most improved utility for 1986? Simple. In November 1985, when William McCormick Jr. arrived as its new chief executive, 40% of his company's assets were tied up in a doomed, unfinished nuclear power plant with no apparent way out. McCormick is tidying up the details on a plan to convert the unfinished plant to a gas-fired cogeneration unit. Consumers Power will own 49% of the new plant but will contribute only $50 million in additional equity. The rest of the $560 million conversion cost will come from partners including Dow Chemical. Since McCormick's arrival, Consumers Power's stock has doubled, to 16, as the utility nears a return to financial health. Says McCormick of his conversion strategy, "Previous management was reluctant to take the pitcher out. I opted to go to the bullpen."

Problems remain. McCormick must finish the cogeneration plant by 1989, and a requested rate hike has yet to be approved. But Consumers Power enjoys $300 million a year in free cash flow and now ranks as a takeover target in its own right. From white elephant to big game quarry in 15 months. Not bad in any industry.

Electric utilities

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Northeast													
United Illuminating	●/●	1	17.4%	15.7%	105.2%	20.6%	20	6.2%	–4.6%	10	9.7%	0.5%	high
New England Electric	●/●	2	17.3	16.2	136.9	11.2	22	5.8	1.2	4	13.0	–5.6	very high
Commonwealth Energy	61/66	3	16.4	15.7	49.1	6.8	19	6.4	–5.1	3	15.1	1.2	average
Northeast Utilities	89/●	4	16.1	17.3	148.4	14.7	5	9.1	–1.1	2	19.8	–1.4	very high
Long Island Lighting	82/●	5	15.4	12.4	88.0	21.9	8	8.7	–2.2	11	8.5	–13.5	high

● 90% or more. D–D: Deficit to deficit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. For further explanation, see page 61.

What lurks behind the headlines? Declining growth in electricity demand, down to 2% a year from 7% annually during the Fifties and Sixties. Many utilities won't need additional capacity until the end of the century. As a result, about 30% of the nation's major utilities now have enough internally generated cash to more than cover all their current construction needs. By 1990 that number ought to hit 90%.

The only thing holding back a rush of takeovers is state utility commissions. Deals put together by raiders like Carl Icahn are sanctioned, in effect, by the stock and capital markets. But buying a utility isn't like buying an airline or a soft-drink company. Utility takeover bids depend on regulators' approval. Star quality could be important. Portent: Late in the year, former Environmental Protection Agency head William Ruckelshaus led an investor group that offered $1 billion to buy Public Service Company of Indiana. Management balked and the deal never went through, but it's significant that the Ruckelshaus group included John Fisher, former chairman of Indiana-based Ball Corp., and Philip O'Connor, former chairman of the Illinois Commerce Commission—impressive investors with local ties.

Last year saw a merger between two utilities, Cleveland

Electric utilities

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Central Hudson G&E	86/●	6	15.3%	16.4%	87.2%	14.4%	11	8.0%	–6.9%	14	6.3%	8.8%	very high
Rochester G&E	63/84	7	15.2	13.6	92.6	13.4	9	8.3	–0.7	8	11.6	–15.0	very high
Potomac Electric	●/●	8	15.2	18.7	87.4	14.7	10	8.2	5.0	6	12.3	15.2	very high
Niagara Mohawk Power	77/●	9	15.1	14.0	81.9	15.1	7	8.8	–0.9	12	8.3	3.4	high
Consolidated Edison	80/89	10	15.0	13.1	55.5	10.3	17	6.6	–4.0	5	12.6	–2.3	very high
NY State E&G	84/●	11	14.7	15.3	120.2	17.7	2	13.9	3.3	16	5.3	8.7	high
Baltimore G&E	74/●	12	14.4	16.2	75.2	15.1	15	7.2	4.1	9	10.7	18.1	very high
Delmarva Power & Lt	83/●	13	14.3	15.6	95.4	12.9	21	6.2	4.5	7	12.2	5.1	very high
Orange & Rockland	73/87	14	13.9	14.0	70.1	8.4	14	7.4	–5.3	18	5.0	8.5	very high
Public Service NH	●/●	15	13.7	9.0	120.8	29.4	12	7.6	0.6	20	0.5	–8.8	very low
Philadelphia Electric	83/●	16	13.6	15.6	99.2	19.1	16	6.9	4.1	17	5.2	10.2	high
Boston Edison	●/●	17	13.1	14.5	84.6	9.0	18	6.5	–7.4	15	6.1	3.5	average
Public Serv Enterprise	68/86	18	12.9	14.7	84.8	12.2	13	7.5	4.8	13	7.2	7.4	high
Atlantic City Electric	●/●	19	12.7	14.2	88.3	12.2	6	9.0	–1.2	19	4.3	24.4	very low
Pennsylvania P&L	●/●	20	12.4	11.2	111.3	13.4	1	15.4	18.4	21	–0.2	1.8	very low
Central Maine Power	●/●	21	10.2	10.9	94.4	9.0	3	10.7	–1.4	22	–34.3	500.0+	low
General Public Utils	●/●	22	4.6	9.3	98.8	5.7	4	9.3	–1.2	1	48.0	30.5	high
Medians			**14.6**	**14.6**	**90.5**	**13.4**		**7.8**	**–1.0**		**8.4**	**4.3**	
North central													
Kansas City P&L	●/●	1	16.6%	12.6%	101.1%	19.1%	22	6.6%	13.0%	5	10.4%	–28.6%	high
Iowa-Illinois G&E	48/86	2	16.4	13.6	76.7	10.2	5	9.1	–0.6	11	7.9	–8.6	high
Wisconsin P&L	73/89	3	16.4	14.6	81.3	9.8	15	7.9	3.1	6	10.3	–5.4	very high
Kansas Power & Light	35/75	4	16.4	16.3	73.3	7.7	1	35.8	–9.7	4	10.6	12.5	very high
No States Power	63/●	5	16.3	16.0	83.3	11.5	2	9.7	3.4	2	13.3	13.3	very high
Wisconsin Electric	75/89	6	15.8	15.6	66.6	11.7	17	7.5	0.1	1	14.7	9.1	very high
Illinois Power	65/88	7	15.5	16.0	91.2	24.2	21	7.1	–0.6	12	6.6	12.6	average
Wisconsin Public Svc	63/●	8	15.4	14.4	59.1	8.8	13	8.3	–5.0	3	10.6	0.0	very high
Union Electric	●/NA	9	15.4	15.4	105.3	19.1	12	8.3	16.9	10	8.8	–5.0	high
Centerior Energy	●/●	10	15.2	14.0	133.6	20.2	18	7.4	3.7	8	9.5	–11.2	very high
Allegheny Power	●/●	11	15.1	15.8	117.8	11.8	19	7.3	–4.2	13	6.5	19.4	high
Commonwealth Ed	●/●	12	14.7	15.6	89.6	19.4	6	8.8	7.8	7	9.9	3.3	very high
Iowa Resources	●/●	13	14.2	14.3	147.6	14.7	23	5.9	–28.7	20	4.6	35.4	average
Ohio Edison	●/●	14	14.2	15.0	116.1	22.7	3	9.6	2.4	9	9.2	0.4	high
Ipalco Enterprises	●/●	15	14.1	13.3	106.7	14.9	14	8.1	6.8	19	4.7	4.3	low
Cincinnati G&E	63/●	16	13.7	19.2	103.6	13.1	10	8.4	0.5	14	6.4	24.5	average
CILCorp	59/80	17	13.5	15.1	100.7	8.9	24	5.6	3.0	14	6.4	30.4	high
Central Ill Pub Svc	75/●	18	13.4	13.1	78.5	12.4	11	8.4	–8.7	17	5.2	17.6	average
Louisville G&E	67/●	19	12.7	12.7	84.9	10.8	4	9.5	–1.6	18	4.9	–6.7	low
Duquesne Light	●/●	20	12.7	12.5	111.3	19.6	26	5.0	–0.9	21	4.4	–7.3	average
Detroit Edison	●/NA	21	12.4	14.8	103.4	16.6	8	8.5	5.4	16	5.6	12.7	high
DPL	70/NM	22	12.1	9.0	133.4	6.8	7	8.8	–2.3	24	–9.4	–33.8	low
Public Service Ind	●/●	23	11.9	65.3	236.6	13.1	8	8.5	19.8	25	–17.7	120.0	low

● 90% or more. D–D: Deficit to deficit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. For further explanation, see page 61.

Electric Illuminating Co. and Toledo Edison. That trend is likely to intensify. Small utilities in other states can aim for economies of scale by getting together.

During 1986 utility managers found outsiders poaching on their territorial monopolies. The town of Geneva, Ill., just north of Chicago, after doing some comparison shopping, decided to buy its power from Wisconsin Electric Power Co. instead of Commonwealth Edison, its traditional supplier. Major industrial customers can also defect by setting up their own lower-cost cogeneration (steam and electricity) plants to supply their own energy needs. To fight back, some utilities such as FPL Group, the holding company that owns Florida Power & Light, and Tucson Electric Power are themselves now investing in cogeneration plants.

With the outlook for fuel costs and interest rates unknowable and their allowable returns in the hands of state regulators, many utilities are already using their cash hoards to diversify. During 1986 utilities continued investing in savings and loans, insurance, cable television, real estate and coal. In 1987 the industry will certainly see more of that. In the electric utility business, the lesson of 1986 seems to be that the old rules no longer apply. ■

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
American Electric	•/•	24	11.8%	12.4%	135.0%	10.1%	25	5.3%	–0.7%	22	2.3%	0.8%	low
No Indiana Pub Svc	50/85	25	8.5	def	112.9	def	16	7.5	–7.8	23	–0.8	P–D	very low
Consumers Power	51/69	26	4.3	def	112.9	def	20	7.1	–2.9		NM	D–D	NM
Medians			**14.2**	**14.5**	**103.5**	**12.1**		**8.2**	**–0.3**		**6.5**	**2.1**	
Southeast													
Southern Company	•/•	1	15.0%	15.9%	128.9%	12.7%	1	12.6%	2.7%	3	10.5%	–1.6%	high
TECO Energy	•/•	2	14.7	13.6	89.3	11.1	6	9.6	4.7	9	4.6	–0.6	average
Florida Progress	•/•	3	14.2	17.3	103.3	9.5	7	8.7	22.3	1	12.9	8.4	high
Duke Power	•/•	4	14.1	13.8	74.7	14.2	5	11.6	14.5	8	5.3	5.3	high
Scana	70/•	5	14.0	14.6	91.7	10.7	1	12.6	–2.4	6	6.9	3.9	high
Carolina Power & Lt	•/•	6	13.7	14.5	91.4	17.7	3	11.9	5.3	5	7.1	0.0	very high
FPL Group	NA/NA	7	13.5	13.3	107.5	8.5	3	11.9	–1.9	4	8.8	–13.4	very high
Kentucky Utilities	•/•	8	12.4	12.2	69.9	12.0	8	7.3	1.4	2	12.8	–1.7	high
Dominion Resources	•/NA	9	11.4	13.0	119.7	12.2	9	5.5	7.2	7	5.9	6.7	high
Medians			**14.0**	**13.8**	**91.7**	**12.0**		**11.6**	**4.7**		**7.1**	**0.0**	
South central													
Southwestern Pub Svc	•/•	1	20.4%	19.6%	80.2%	15.0%	2	13.4%	–2.8%	1	12.0%	1.1%	very high
Texas Utilities	•/•	2	16.1	14.7	88.0	15.3	1	13.5	–4.1	4	6.1	0.2	very high
Central & South West	•/•	3	16.0	16.0	99.7	13.5	5	9.6	–3.7	2	8.7	4.8	very high
Gulf States Utilities	•/NA	4	14.1	12.2	116.7	17.5	3	11.7	–15.6	7	1.1	–12.5	very low
Oklahoma G&E	•/•	5	14.0	13.8	78.9	11.0	6	8.4	1.6	5	6.0	13.5	average
Houston Industries	86/NA	6	13.7	14.7	100.0	11.5	4	10.9	–9.8	3	8.2	–10.4	low
Middle South Utils	•/NA	7	13.3	9.8	134.9	11.0	7	5.9	9.4	6	1.2	–27.5	very low
Medians			**14.1**	**14.7**	**99.7**	**13.5**		**10.9**	**–3.7**		**6.1**	**0.2**	
Western													
San Diego G&E	80/•	1	16.9%	17.1%	66.9%	13.2%	4	12.2%	–2.5%	1	21.1%	14.6%	high
Southern Calif Edison	•/•	2	16.3	15.7	87.6	14.9	10	6.9	2.1	2	12.3	2.2	very high
Portland General	•/•	3	16.0	14.9	95.9	17.2	6	9.6	–0.5	4	7.2	22.5	high
PacifiCorp	52/72	4	15.6	13.7	106.8	11.8	3	14.2	3.4	5	7.1	–13.5	average
AZP Group	•/•	5	15.0	13.2	124.7	20.2	9	7.4	10.4	7	5.2	–6.2	high
Pacific G&E	59/77	6	14.5	14.7	84.2	13.6	7	9.1	–6.1	3	9.2	–2.2	high
Montana Power	47/58	7	14.4	18.2	74.7	19.7	12	4.7	15.3	8	1.2	111.0	very low
Public Service NM	54/87	8	14.3	12.8	74.9	21.9	1	17.7	3.0	12	–2.6	8.9	low
Puget Sound P&L	•/•	9	12.7	11.7	95.9	15.5	2	15.3	7.8	11	–2.2	–10.3	very low
Public Service Colo	58/79	10	12.5	8.8	90.4	5.6	8	8.8	–3.0	9	0.9	–31.5	very low
Utah Power & Light	•/•	11	12.1	11.7	83.3	14.3	5	11.8	–3.2	10	–1.5	13.0	very low
Hawaiian Electric	•/89	12	10.5	12.4	78.7	7.5	11	5.5	–12.5	6	6.4	11.6	low
Medians			**14.5**	**13.5**	**85.9**	**14.6**		**9.4**	**0.8**		**5.8**	**5.6**	
Industry medians			**14.3**	**14.5**	**93.5**	**13.1**		**8.4**	**–0.6**		**6.8**	**2.8**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

• 90% or more. D–D: Deficit to deficit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. For further explanation, see page 61.

FINANCIAL SERVICES

It was a sensational year for Wall Street, but as it ended there were clear signs of strain.

By Matthew Schifrin

A TRUE CONTRARIAN WOULD BE BEARISH on financial services. During 1986 the Dow Jones industrial average approached 2000, trading volume routinely surged above 100 million shares a day on the New York Stock Exchange and brokerage revenues climbed above $50 billion, with net profits of about $3 billion. The so-called restructuring of industry created huge fees and huger trading profits. At least a dozen brokers sold chunks of their firms to outsiders. Industry capital rose from $22 billion to almost $30 billion. Nearly every new M.B.A. lusted for a career in investment banking.

At times like this, with the profits pouring in and the future looking rosy, the contrarian looks for a downturn. The insider trading scandal might trigger it. Or a collapse in the junk bond market. Or something else from way out in left field.

At any rate, the bonanza can't last. Huge profits earned by firms like First Boston have created what analyst Brenda McCoy at Merrill Lynch calls the capital markets supermarket phenomenon. "Everybody is trying to service every area of the capital markets," she says. With players crowding in, profits will shrink. "You used to get a ¼-point spread on Ginny Maes. Now it's $^1/_{16}$ or ⅛," says one trader. So far, the market's volume has hidden the margin squeeze. But what

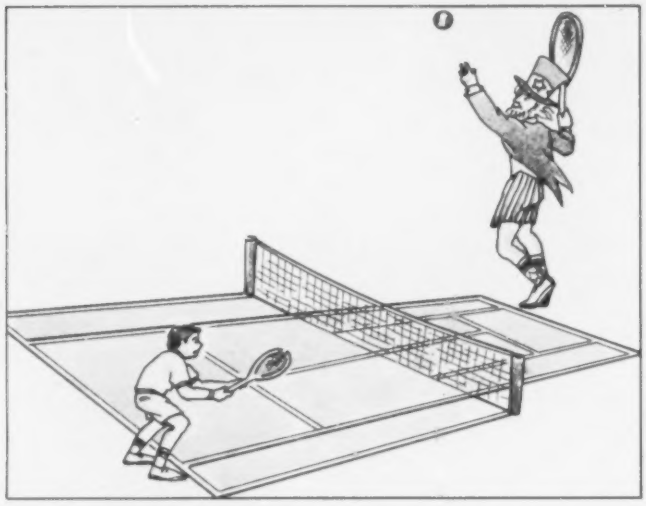
Financial services

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Financial companies													
Student Loan	●/●	1	40.0%	28.3%	1925.6%	10.1%	4	29.8%	11.0%	2	54.2%	25.9%	very high
H&R Block	57/81	2	23.7	21.8	2.0	9.7	5	16.3	24.6	5	8.8	4.8	very high
Southmark	76/85	3	22.7	12.3	175.8	13.6	1	99.3	5.9	1	110.4	–29.2	very high
Equifax	●/●	4	22.1	26.4	19.5	4.0	8	8.6	14.4	4	9.2	40.5	average
American Express	●/●	5	17.5	24.1	122.3	7.8	3	37.1	10.2	7	3.7	77.1	low
Integrated Resources	61/60	6	15.7	1.1	118.2	4.1	2	47.9	26.2	6	7.5	–76.1	low
Household International	49/68	7	12.1	13.7	368.3	5.6	11	–7.2	–57.0	3	9.3	6.4	average
Gulf & Western	45/61	8	7.9	11.7	74.6	6.4	12	–13.8	11.7		NM	2.7	NM
Beneficial Corp	52/●	9	5.2	def	404.1	def	10	–5.9	0.0		NM	P–D	NM
Commercial Credit	76/58	10	3.4†	1.5	215.3	1.3	9	5.5‡	–13.7		NM	–69.4	NM
Cigna	39/PD	11	1.9†	def	9.4	def	7	10.2	4.4		NM	P–D	NM
Fedl Natl Mortgage	●/●	12	def	11.3	3930.8	1.4	6	14.8	6.1		NM	D–P	NM
Medians			**13.9**	**12.0**	**149.1**	**4.9**		**12.5**	**8.2**		**5.6**	**2.7**	
Brokerage houses													
First Boston	●/●	1	26.9%	18.5%	43.3%	5.1%	2	32.6%	27.0%	1	18.9%	11.3%	average
Salomon	18/68	2	20.9	19.1	151.6	2.2	7	3.9	–5.9	2	–0.9	91.9	very low
PaineWebber Group	●/●	3	19.4	13.8	130.9	3.0	6	16.3	26.5	3	–5.9‡	84.6	very low
EF Hutton Group	74/DP	4	17.3	2.9	36.7	0.8	4	23.5	9.2	5	–17.4	–75.3	average
Merrill Lynch	87/85	5	15.0	13.9	162.2	3.8	5	17.2	34.2	4	–11.0	64.1	low
Bear Stearns Cos	●/●		NA	37.1	45.0	5.7	1	51.1‡	5.1		NA	4.9	NA
Morgan Stanley	●/●		NA	49.7	57.9	7.4	3	30.7‡	NA		NA	NA	NA
Medians			**19.4**	**18.5**	**57.9**	**3.8**		**23.5**	**17.9**		**–5.9**	**11.3**	
Commodity traders													
Salomon	81/31	1	20.9%	19.1%	151.6%	2.2%	1	3.9%	–5.9%	2	–0.9%	91.9%	very low
Commercial Metals	63/20	2	8.7	10.5	25.9	1.6	3	–4.7	–13.1	3	–10.3	49.5	average
Kay	65/52	3	7.4	19.7	74.0	1.8	2	–2.3	37.5	1	37.6‡‡	181.7	average
Medians			**8.7**	**19.1**	**74.0**	**1.8**		**–2.3**	**–5.9**		**–0.9**	**91.9**	
Industry medians			**16.5**	**13.9**	**120.3**	**3.9**		**15.6**	**9.2**		**–0.9**	**8.9**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

●90% or more. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ‡‡Three-year growth. For further explanation, see page 61.

Whose Advantage?



Do you think the new tax law brings the game back to deuce? Think again! Uncle Sam still has the advantage over many taxpayers.

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happens when volume drops? "You see a lot of red ink," says Perrin Long at Lipper Analytical. Whether with a bang or with a whimper, the boom in investment services will end. That could happen in 1987. ■

Most improved

Despite American Express' 77% 12-month earnings gain, 1986's most improved financial services company was the huge quasi-government agency, Federal National Mortgage Association. After nearly six years of restructuring, Fannie Mae is finally—and firmly—moving into the black.

"When I came here in 1981, we had a negative net worth of over

Paul Fetters

David Maxwell of Fanny Mae

$12 billion," says Chief Executive David Maxwell, 56. Maxwell has been replacing low-rate mortgages in Fannie Mae's $95 billion portfolio with shorter maturities and adjustable rates. To reduce exposure to rate swings, Maxwell increased fee income for guarantees and commitments. "We are in more control of our destiny now," he says.

Fannie Mae's earnings in 1986 were around $2.50 per share, vs. 52 cents in 1985. Analyst Carole Berger at C.J. Lawrence expects that more portfolio restructuring over the next 2½ years will yield $1.2 billion in pretax interest savings. That's $16.10 for each of Fannie Mae's 74.5 million common shares. This doesn't include fee income, which accounted for $487 million in pretax profits. Next year Berger expects $3.85 in aftertax earnings and by 1990 perhaps $12.75. Some gain for a company that was a basket case three years ago.

FOOD DISTRIBUTORS

Grocery stocks got hot, thanks to takeovers, but don't expect this low-margin business to get more profitable anytime soon.

By Ralph King Jr.

SUPERMARKETS AND FOOD WHOLESALERS haven't excited investors for years. But when Dart Group started to reach for Safeway Stores, even as raider Asher Edelman began eyeing Lucky Stores, stocks throughout the industry took off. "Supermarket stocks have been as hot as they'll ever be these last couple months," said Susan Schmierer, a Prudential-Bache analyst, in November. "My clients are beginning to wonder if there's something they missed."

Undervalued assets—real estate in particular—and cash flows plainly attracted corporate raiders, but in 1986 the

Food distributors

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Wholesale and supply													
Allegheny Beverage	83/79	1	40.3%	def	142.0%	def	1	37.4%	49.2%		NM	P–D	NM
Super Rite Foods	51/49	2	27.2	7.7%	110.8	0.4%	2	27.4	12.1	4	24.9%	–55.7%	average
Super Valu Stores	86/72	3	24.6	15.7	76.5	1.0	11	13.2	20.5	9	12.1	–8.1	high
Culbro	39/NA	4	24.0	18.2	19.1	3.0	3	24.8	–3.8	12	7.2	161.3	very low
Marriott	37/30	5	22.9	21.1	200.0	3.9	5	20.0	21.3	6	18.7	17.1	very high
Transworld	67/59	6	20.7†	23.6	26.0	7.2	16	5.4	29.0	1	33.4	74.1	average
Sysco	•/•	7	19.6	16.4	25.5	1.8	8	17.3	21.5	7	15.9	13.1	very high
Collins Foods Intl	35/17	8	19.1	10.6	123.6	2.2	10	14.3	17.8	5	24.6	–34.7	very high
Fleming Cos	•/•	9	18.0	12.0	49.7	0.7	6	19.9	11.3	8	12.9	–14.3	very high
Morrison	30/23	10	16.2	7.9	4.3	2.2	12	11.4	11.5	11	7.5	–34.4	high
Super Food Services	•/•	11	14.1	16.5	67.7	0.7	14	7.6	1.8	2	30.9	12.1	very high
Rykoff-Sexton	•/•	12	13.4	7.9	142.7	0.7	4	23.5	25.4	10	7.6	–42.9	average
Wetterau	•/83	13	13.3	15.5	72.7	0.9	7	17.9	19.3	3	27.6	0.4	average
Nash Finch	59/78	14	13.3	12.7	48.1	1.0	15	5.7	9.7	14	3.0	13.1	high
Carson Pirie Scott	34/54	15	10.5	8.0	83.5	1.2	9	16.7	5.6	13	6.1	–37.0	low
Staley Continental	54/38	16	9.3	3.8	81.4	0.9	13	8.0	10.4	16	–44.7	363.2	high
Farm House Foods	•/82	17	9.1	5.7	123.6	0.3	19	–12.3	11.3	15	–13.0	–35.3	very low
Di Giorgio	63/31	18	5.1	13.0	52.3	1.5	17	4.7	2.6		NM	500.0+	NM
Allied Supermarkets	41/NA	19	0.4††	4.8	114.7	1.1	18	–2.9	–19.6		NM	D–P	NM
Medians			**16.2**	**12.0**	**76.5**	**1.0**		**14.3**	**11.5**		**7.6**	**–3.9**	
Major supermarkets													
American Stores	NA/NA	1	27.1%	16.4%	100.9%	1.1%	1	17.1%	–2.5%	2	30.2%	–29.2%	high
Supermarkets General	89/84	2	21.2	18.7	42.2	1.3	2	13.8	4.7	3	17.4	2.9	very high
Albertson's	•/•	3	21.1	18.3	33.5	1.8	5	10.7	6.0	5	14.2	16.3	very high
Winn-Dixie Stores	•/•	4	19.6	16.5	13.9	1.3	7	7.0	5.7	7	6.2	3.4	high
Stop & Shop Cos	49/67	5	18.9	10.5	80.9	1.1	3	13.1	12.9	4	16.3	–14.9	low

•90% or more. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 61.

Most improved

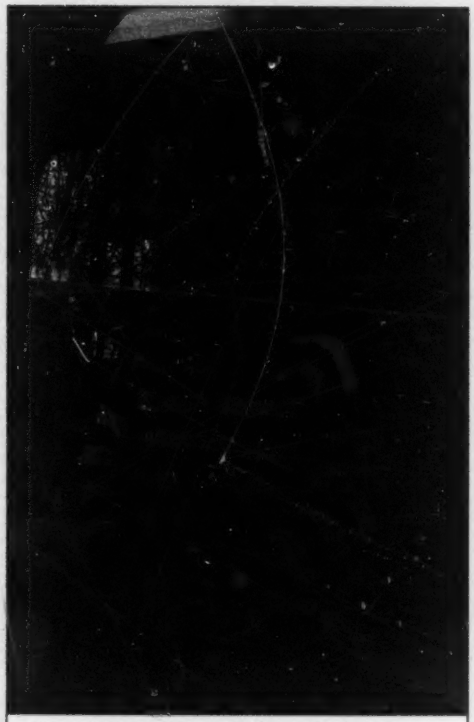
Don't look to profits or return on equity for the reason Kroger Co. stands out as the most improved food distributor in 1986. The payoff lies just ahead, thanks to a thorough housecleaning last summer that left the Cincinnati-based supermarket chain focused on what it does best: food retailing.

In the early Eighties Kroger lagged the industry because of ill-advised expansion and high overhead costs. But credit William Kagler, its president since 1983, for taking the tough actions that were long overdue. "We had really lost sight of the impact of inflation," Kagler says. "My goal was to make pruning an every-day activity. Getting rid of stores that don't work is just as honorable as building stores that do."

Among Kagler's actions: closing not only several inefficient manufacturing plants but also over 100 unprofitable stores in tight markets like St. Louis, and trimming 25% of its bloated and ingrown corporate staff. Further, Kroger's weak drugstore operations were put on the block. The streamlining triggered special charges of $94.4 million but also freed cash to reduce debt, buy back stock and build stores in bustling cities like Richmond, Va. and Greenville, S.C.

In the first nine months of 1986, earnings per share from continuing operations rose 6.3%, to $1.35, from the year-ago period. Meanwhile, sales increased 5.6%. Before year-end, Kroger planned to retire about one-third of its long-term debt. Dropping below 19 in 1985, its stock recently traded at 30½ after a 2-for-1 split in September. That's in line with the Dow's P/E of 16, and ahead of the industry's 15% discount.

Kagler's reward for getting his company back in the pink? A pink slip, handed to him in October by longtime Chairman Lyle Everingham, who didn't like Kagler's abrasive style and couldn't stomach more housecleaning. Says Everingham: "We hope now for a period of stability and predictability."



Kroger's ex-President William Kagler

Chairman Lyle Everingham

Photos by D. Gorton

Food distributors

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Lucky Stores	66/52	6	17.7%	9.4%	69.7%	0.9%	6	7.9%	–24.9%	8	–0.9%	–44.1%	very low
Kroger	•/86	7	15.7	7.4	67.0	0.5	4	11.5	1.5	9	–1.2	–50.1	very low
Safeway Stores	•/•	8	13.8	10.8	90.9	0.9	8	5.5	–0.6	6	11.1	–28.3	high
Great A&P Tea	•/•	9	def	8.9	50.9	0.9	9	–0.9	9.4	1	39.6‡‡	2.0	very high
Medians			**18.9**	**10.8**	**67.0**	**1.1**		**10.7**	**4.7**		**14.2**	**–14.9**	
Regional supermarkets													
Big Bear	78/75	1	36.5%	20.3%	48.2%	1.5%	9	9.5%	4.1%	3	27.3%	+11.0%	very high
Bruno's	•/•	2	33.9	18.6	8.0	2.9	3	15.9	13.3	4	26.2	8.3	very high
Food Lion	•/•	3	29.4	27.7	21.9	2.6	1	28.5	25.6	5	25.0	28.6	very high
Super Rite Foods	48/50	4	27.2	7.7	110.8	0.4	2	27.4	12.1	6	24.9	–55.7	average
Shaw's Supermarkets	•/•	5	25.3†	20.5	54.7	1.5	6	12.9‡	16.5	8	18.5‡	4.2	very high
Fred Meyer	65/NA	6	23.8††	19.9	206.1	1.3	5	13.5‡‡	NA	1	42.3‡‡	NA	high
Giant Food	•/•	7	22.8	21.8	46.0	2.5	11	8.6	6.7	2	28.0	15.2	very high
Delchamps	•/•	8	20.7	10.7	49.0	1.1	4	15.8	9.2	12	9.7	–22.5	very high
Hannaford Bros	•/•	9	20.1	17.6	50.9	2.1	8	10.9	8.2	9	13.8	18.9	very high
Weis Markets	•/•	10	19.9	17.3	0.0	5.9	12	8.3	8.9	10	12.8	7.9	very high
Cullum Cos	•/•	11	19.0	15.7	38.7	1.7	18	6.7	–6.7	17	5.4	0.0	average
Big V Supermarkets	•/•	12	16.5	13.0	49.3	1.0	19	6.3	2.0	21	–9.0	7.3	very low
Ruddick	84/48	13	14.4	12.3	39.8	1.5	7	12.9	0.2	16	7.1	7.7	high
Waldbaum	•/•	14	14.3	9.7	76.8	0.8	16	6.9	4.5	15	9.0	–15.2	average
Nash Finch	40/21	15	13.3	12.7	48.1	1.0	20	5.7	9.7	19	3.0	13.1	high
Marsh Supermarkets	NA/NA	16	12.6	14.4	115.9	0.9	14	7.2	21.6	20	–4.8	35.1	very low
Arden Group	84/61	17	12.4	14.1	59.1	1.3	26	–4.5	–1.9	7	19.7	–22.3	average
Seaway Food Town	•/•	18	11.0	5.1	103.4	0.4	22	3.6	–1.7	22	–10.2	–51.3	low
Godfrey	•/•	19	10.5	20.4	53.8	1.1	13	7.4	13.1	14	9.0	92.3	low
Penn Traffic	•/87	20	9.9	12.4	50.1	1.4	21	5.6	–3.0	18	3.7	51.3	very low
Pueblo International	•/•	21	8.4	11.1	125.3	0.9	15	7.1	16.6	11	11.4	79.3	average
Fisher Foods	•/•	22	6.1	def	49.9	def	27	–21.6	20.8		NM	P–D	NM
Foodarama Supermkts	•/•	23	4.9	11.9	49.3	0.6	23	1.6	4.0	13	9.6‡	–5.5	low
Allied Supermarkets	57/NA	24	0.4††	4.8	114.7	1.1	25	–2.9	–19.6		NM	D–P	NM
Borman's	•/•	25	def	21.1	110.5	0.6	24	0.3	1.7		NM	272.1	NM
Stater Bros	•/•		NA	87.6	267.5	0.7	10	9.5	10.8		NA	127.7	NA
Tops Markets	78/NA		NA	16.7	122.9	1.0	17	6.9‡	3.6		NA	–10.7	NA
Medians			**14.4**	**14.4**	**50.9**	**1.1**		**7.2**	**7.5**		**9.6**	**7.5**	
Convenience stores													
Natl Convenience	•/•	1	24.3%	4.3%	281.1%	0.5%	3	15.8%	–6.9%	3	9.4%	–66.0%	high
Southland	65/66	2	16.7	14.8	38.2	2.4	1	22.9	–22.7	2	13.2	4.5	very high
Circle K	•/•	3	15.9	19.5	180.1	2.0	2	22.8	22.6		NM	–0.6	NM
Munford	78/84	4	15.2	6.8	71.2	0.8	4	7.7	5.6	1	37.1	–37.1	average
Medians			**16.3**	**10.8**	**125.7**	**1.4**		**19.3**	**–0.7**		**11.3**	**–18.9**	
Restaurant chains													
Shoney's	89/89	1	24.3%	19.3%	11.4%	7.1%	2	20.3%	14.5%	2	22.3%	18.0%	very high
McDonald's	•/•	2	22.5	21.9	79.3	11.6	5	11.0	13.3	4	15.2	13.4	very high
Wendy's Intl	•/•	3	22.5	2.8	45.6	1.0	1	25.4	6.0	3	16.1	–84.2	very high
Collins Foods Intl	64/82	4	19.1	10.6	123.6	2.2	3	14.3	17.8	1	24.6	–34.7	very high
PepsiCo	25/22	5	18.6	23.6	123.0	4.8	10	5.3	12.8	6	8.1	–14.1	low
Church's Fried	•/•	6	18.1	3.7	13.9	2.1	9	7.7	–13.6	11	–7.6	–76.5	low
Pillsbury	45/59	7	17.2	17.0	73.3	3.6	8	8.8	22.4	5	10.4	8.0	very high
Morrison	63/71	8	16.2	7.9	4.3	2.2	4	11.4	11.5	7	7.5	–34.4	high
Jerrico	•/•	9	15.8	13.7	14.6	4.8	6	10.0	8.4	9	3.7	18.2	average
WR Grace	19/ 7	10	11.6	6.8	91.7	2.5	12	–2.0	–24.1	12	–16.8	–7.6	high
Ponderosa	•/•	11	9.6	8.1	24.9	2.3	7	9.0	4.3	10	–3.5	500.0+	very low
General Mills	22/21		NA	25.8	62.0	4.1	11	5.0‡	8.7	8	4.7‡	59.2	very low
Medians			**18.1**	**12.2**	**53.8**	**3.1**		**9.5**	**10.1**		**7.8**	**0.2**	
Industry medians			**17.0**	**13.0**	**62.0**	**1.2**		**9.5**	**8.8**		**9.6**	**1.2**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

•90% or more. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 61.

Wholesalers have struggled to keep their own houses in order. Firms like Super Valu Stores and Fleming have lowered handling costs by investing in large-scale mechanization and high-tech inventory control systems. They have been aggressive acquirers, too. Consolidation has already cut the number of operators by two-thirds since 1979, to a total of 325 nationwide.

industry itself remained a plodding business with micromargins. Worse, slower growth in food prices for more than two years has forced grocery chains to cut costs mercilessly, labor most of all.

Beyond mere speculative plays, the chains that seem best positioned to reward investors in years ahead are those that poured capital into their operations over the past few years. Increasingly favored are supersize stores of 35,000 square feet costing up to $5 million each to open and using a combination food/drug format to attract shoppers. Albertson's opened 21 such stores in 1986 and plans to add another 30 or so in 1987. Great Atlantic & Pacific Tea Co. finds it cheaper to buy than build, adding nearly 200 units with the acquisition of both the Shopwell and Waldbaum chains in 1986.

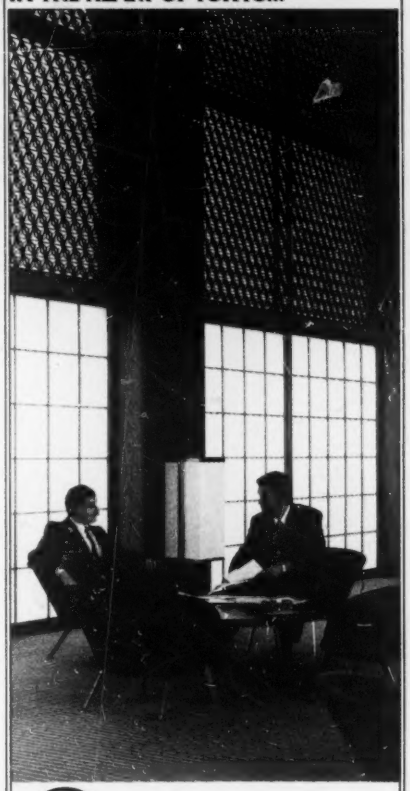
Efforts to tailor general retail formats to distinct neighborhoods continued. In the New York metropolitan area, A&P added to a broad range of outlets, from food/drug stores to warehouse stores to conventional units with large ethnic-oriented departments. "You can no longer just talk about supermarkets generically," says Martin McDevitt, an industry analyst with Robert Baird & Co. in Milwaukee.

Wholesalers, meanwhile, have struggled to keep their own houses in order. Firms such as Super Valu Stores and Fleming have lowered handling costs by investing in large-scale mechanization and high-tech inventory control systems.

They have been aggressive acquirers, too. Consolidation has already cut the number of wholesale operators by two-thirds since 1979, bringing it to a current total of 325 nationwide, and it is expected that by 1990 the number will decline further, to a mere 100.

The company topping FORBES' wholesale and supply group in the Yardsticks, Allegheny Beverage, will surely lose that place next year. After selling its profitable Pepsi bottling unit in 1985, the firm leapt into industrial food service with a $225 million acquisition. Bad call. That business slumped along with heavy industry generally and left Allegheny Beverage reeling under a huge debt load. The company recently announced plans to sell or spin off all its operating units. ■

IN THE HEART OF TOKYO...



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FOOD PROCESSORS

Falling food prices were disastrous for farmers, but the losses they suffered matched the profits reaped by the next link in the food chain—the processors.

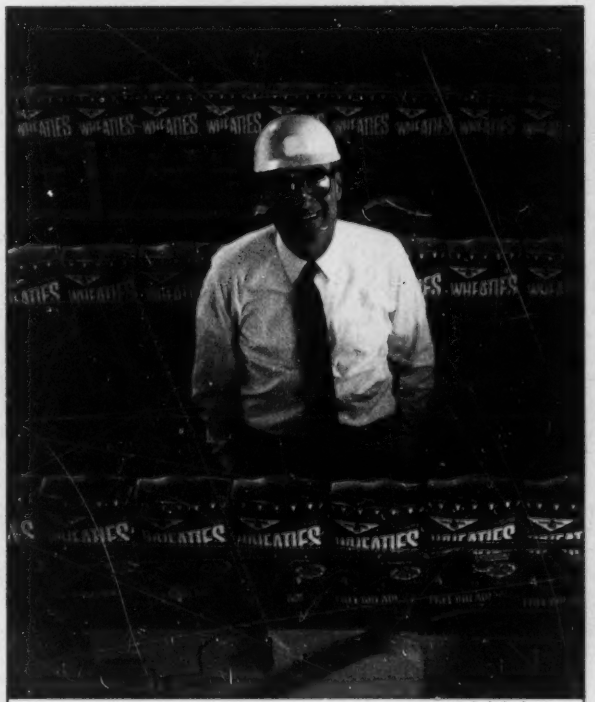
By Janet Novack

FOR MOST PACKAGED FOOD COMPANIES 1986 was a year to relish lower commodity prices, fatter profits and a gift from Congress: tax reform. Even so, processors kept busy spinning off or selling laggard performers while buying back stock, piling on debt and looking for acquisitions to build market share—all to keep from becoming the target of some corporate raider on the prowl.

From January to October the Department of Agriculture's index of farm prices (1977 equals 100) fell from 113 to 97 as corn, wheat and soybean stockpiles grew to record levels. Meanwhile, consumers continued to gravitate toward high-priced brand names and high-margin convenience food items.

Result? Fatter profits for many food processing firms. Leaders increased their market share and margins, while generics, store brands and also-rans were squeezed. For example, since 1983 Kellogg and General Mills have boosted their combined

Most improved



General Mills' H. Brewster Atwater Jr. Steve Niedorf/Wheeler Pictures

When H. Brewster Atwater Jr. took over as General Mills' chief executive in 1981, revenues were approaching $5 billion, and Atwater confidently predicted sales of $8 billion by 1986. As things turned out, 1986 proved to be a banner year indeed, but revenues, at $4.6 billion, were lower than in 1981. In the interim, consumer tastes turned against General Mills' trendy nonfood divisions, including Izod Lacoste and Parker Brothers. In 1985 Atwater spun off lagging operations, taking a writeoff of $188 million for discontinued operations and a $73 million net loss, thus positioning his company for a 1986 earnings surge that lifted the stock, which split 2-for-1 in November, by about 40%. Says he: "Our focus is now on our best businesses."

The strategy is paying off. "General Mills has been transformed into a premier earnings growth company," says Drexel Burnham analyst Alan Greditor. Numbers prove the point. Pretax earnings from continuing operations were up 20% during the company's fiscal 1986, ended in May—better than most major U.S. businesses. For the first half of fiscal 1987, per-share net from continuing operations rose 29%, while trailing 12-month return-on-equity from continuing operations hit 31%. Atwater says that over the next three years General Mills will pump $1.5 billion into its businesses, including $290 million into the Red Lobster chain, which is thriving with a greater emphasis on service and light foods. General Mills will also expand its Olive Garden dinner-house chain, as well as Talbots, a classic women's clothing retailer. Meanwhile, cereal division Big G has added market share. The company's strategy of focusing on its best businesses should continue to pay off for General Mills' investors.

Food processors

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Food commodities													
Savannah Foods	●/●	1	34.4%	12.7%	42.2%	2.1%	4	7.4%	4.4%	2	11.6%	–15.4%	very low
Pioneer Hi-Bred Intl	89/●	2	22.1	16.0	6.1	8.3	1	14.2	7.8	3	7.9	–28.0	low
CPC International	36/11	3	14.8	14.4	40.6	4.5	9	0.3	4.9	6	–7.4	35.8	average
Federal Co	25/22	4	14.6	18.7	12.7	3.9	5	5.3	–0.5	1	29.5	30.2	high
Intl Multifoods	49/62	5	13.7	10.4	23.6	1.7	7	3.5	12.8	5	–5.6	–15.1	low
Archer-Daniels	●/●	6	12.5	13.1	26.5	4.7	2	11.0	9.6	4	–5.5	37.7	low
Zapata	32/DD	7	10.8	def	190.8	def	10	–11.9	–34.2		NM	P–D	NM
Staley Continental	45/61	8	9.3	3.8	81.4	0.9	3	8.0	10.4	8	–44.7	363.2	high
DeKalb	69/DD	9	6.6	def	49.7	def	8	0.5	–25.9	7	–12.6	P–D	average
Amfac	25/31	10	0.2	def	80.9	def	6	4.3	–3.4		NM	D–D	NM
Medians			**13.1**	**11.6**	**41.4**	**1.9**		**4.8**	**4.7**		**–6.5**	**–15.3**	
Meatpacking													
Monfort of Colorado	●/●	1	31.9%	27.5%	9.8%	1.6%	3	16.3%	7.8%	3	13.6‡%	76.4%	average
Tyson Foods	●/●	2	22.5	32.4	80.1	3.3	2	20.9	32.4	1	94.2	34.1	very high
Federal Co	64/75	3	14.6	18.7	12.7	3.9	5	5.3	–0.5	2	29.5	30.2	high
George A Hormel	●/●	4	12.3	11.9	19.4	2.0	7	1.9	24.7	5	3.0	14.9	low
Occidental Petroleum	42/ 5	5	11.9	2.6	153.3	1.2	6	2.8	1.3	6	–23.3	–79.0	average
Smithfield Foods	●/●	6	10.0	22.1	137.7	0.8	1	31.1	25.7	4	3.6	66.0	very low
Thorn Apple Valley	●/DD	7	4.3	def	100.4	def	4	8.0	–3.6		NM	D–D	NM
United Brands	54/30	8	1.1	13.7	51.8	1.6	8	–5.6	2.0		NM	42.5	NM
Wilson Foods	●/DD	9	def	def	123.7	def	9	–7.1	–5.2		NM	D–D	NM
Medians			**11.9**	**13.7**	**80.1**	**1.6**		**5.3**	**2.0**		**3.0**	**30.2**	
Branded foods													
Kellogg	●/●	1	33.4%	44.2%	31.4%	9.3%	15	5.6%	13.9%	8	11.8%	12.9%	high
Dean Foods	●/●	2	24.4	21.7	23.5	3.1	6	10.3	12.6	2	19.7	6.1	very high
RJR Nabisco	NA/NA	3	22.8	19.8	84.8	6.6	5	12.0	42.6	12	10.1	–11.2	high
ConAgra	54/71	4	22.2	21.9	59.8	1.8	1	42.1	8.9	4	15.8	17.2	high
HJ Heinz	●/●	5	21.2	23.3	21.6	7.0	14	5.7	8.0	7	12.8	12.1	very high
Flowers Industries	●/●	6	19.9	19.5	68.2	4.2	2	14.5	13.1	5	15.5	13.3	very high
Hershey Foods	76/83	7	19.2	18.0	14.1	6.2	11	8.6	5.9	15	9.4	17.8	very high
Ralston Purina	87/●	8	19.1	46.6	187.3	7.5	21	2.2	–6.0	1	20.6	70.5	average
Sara Lee	70/48	9	19.1	19.8	51.6	2.8	12	8.5	–0.5	9	11.6	12.2	very high
Chesebrough-Pond's	12/29	10	19.0	17.6	106.2	4.5	4	12.1	21.3	23	–4.1	9.7	low
Curtice-Burns Foods	●/●	11	19.0	12.6	19.1	1.4	3	12.3	–6.3	3	16.4	–13.2	very high
McCormick	●/●	12	18.7	11.2	33.2	3.1	10	8.6	12.0	6	15.1	7.7	low
PepsiCo	35/46	13	18.6	23.6	123.0	4.8	16	5.3	12.8	18	8.1	–14.1	low
Pillsbury	51/40	14	17.2	17.0	73.3	3.6	9	8.8	22.4	11	10.4	8.0	very high
Quaker Oats	80/82	15	16.7	22.8	19.4	4.9	13	7.7	8.2	17	8.3	21.7	low
Gerber Products	51/69	16	16.0	11.1	33.5	4.3	8	9.2	2.3	19	7.6	–22.3	average
Universal Foods	54/NA	17	15.9	11.4	71.2	2.6	18	3.9	22.8	20	6.6	–15.0	low
Wm Wrigley Jr	●/●	18	15.9	20.0	0.0	7.6	22	1.3	12.3	10	11.3	21.9	very high
Campbell Soup	●/●	19	15.3	16.1	23.5	5.1	7	9.4	9.8	13	9.9	12.8	very high
Kraft	71/70	20	15.3	14.8	10.1	4.7	26	0.3	–7.9	16	8.5	–4.8	high
CPC International	59/86	21	14.8	14.4	40.6	4.5	27	0.3	4.9	25	–7.4	35.8	average
Borden	67/67	22	13.7	15.3	37.2	4.3	25	0.8	6.0	14	9.4	14.8	very high
Intl Multifoods	23/26	23	13.7	10.4	23.6	1.7	19	3.5	12.8	24	–5.6	–15.1	low
IC Industries	20/23	24	8.4	def	100.7	def	24	0.8	–3.6	22	1.3	P–D	very low
Ogden	25/45	25	8.2	def	51.0	def	30	–11.4	–30.6		NM	P–D	NM
American Maize	78/●	26	5.3	1.4	122.1	0.4	23	0.8	1.7		NM	36.4	NM
United Brands	41/64	27	1.1	13.7	51.8	1.6	29	–5.6	2.0		NM	42.5	NM
American Bakeries	●/88	28	0.2	12.4	20.6	1.7	28	–2.7	–1.4		NM	16.7	NM
Interstate Bakeries	●/●	29	def	19.5	74.9	2.2	20	2.4	0.3		NM	215.3	NM
Castle & Cook	NA/NA		NA	13.0	63.3	4.2		NA	3.7		NM	200.0	NM
General Mills	66/72		NA	25.8	62.0	4.1	17	5.0‡	8.7	21	4.7‡	59.2	very low
Medians			**16.7**	**17.0**	**51.6**	**4.2**		**5.5**	**8.0**		**8.5**	**12.8**	
Industry medians			**15.1**	**14.6**	**51.3**	**3.1**		**5.3**	**6.0**		**7.1**	**12.9**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

● 90% or more. **DD:** Segment deficit, total deficit. D–D: Deficit to deficit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. ‡Four-year growth. For further explanation, see page 61.

share of the breakfast cereal market some seven points, to about 66%, while Quaker Oats Co. and General Foods' Post cereals have seen their shares erode. Abetting the consolidation trend, says Sara Lee Chairman John Bryan Jr., was relaxed antitrust enforcement. "In the 1960s you didn't have the option to build your existing business through acquisition. You had to get into businesses you didn't know anything about," he says.

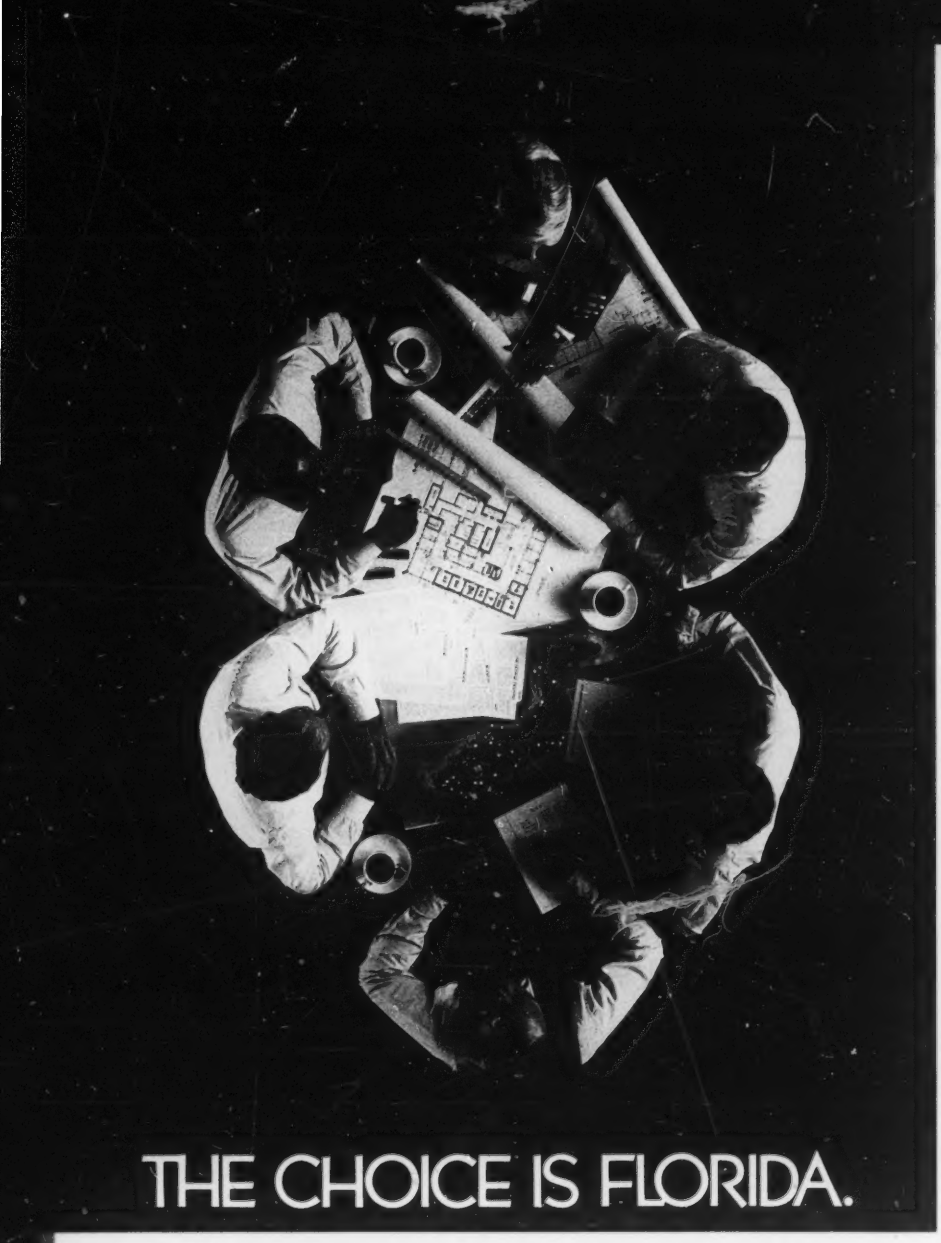
Now the situation is different. In September International Multifoods Corp. announced plans to sell off most of its regional and private labels and concentrate instead on food service and other businesses. Meanwhile, Quaker Oats put its specialty retailing units up for sale while acquiring established brand names, including Rice-a-Roni and, via the acquisition of Anderson Clayton, Gaines pet food. The Gaines line will allow Quaker to double its pet food share, to 21%.

In 1986 consumers continued to gravitate toward high-priced brand names and high-margin convenience food items. Result? Fatter profits for many food processing firms. Leaders increased their market share and margins.

Many firms, including Ralston Purina, Borden, Heinz and General Mills, used their wealth to lift their stock prices by buying back shares. But the buyback pace will likely slow in the year ahead, since tax reform makes higher dividends a more attractive way to boost shareholder returns.

Will 1987 yield food processors enough cash for higher payouts? William Blair & Co. analyst Ronald Strauss figures the money will be there. He expects the group's pretax profits to rise 9% to 11% in 1987, as commodity prices continue low and margins continue to expand. With the food group a beneficiary of tax reform, aftertax net should rise about 17% to 18%, he adds.

Meanwhile, in another plus for the industry, the spectacular growth in eating out seems to be leveling off. Says Prudential-Bache analyst John McMillin, "Two of the biggest positives for food processors have been the microwave and the VCR. Now you can have fast food at home and watch a movie to boot." ■



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HEALTH

Prescription for profits: Consolidate, emphasize the core business and exploit the falling dollar.

By Michael Fritz

A THIRD YEAR OF PRECIPITOUS DECLINES in hospital admissions and Washington's continuing clampdown on Medicare spending made 1986 a year of consolidation and frantic cost-cutting for most companies in this industry. Firms with foreign manufacturing or sales operations fared better, thanks to a weakening U.S. dollar. But if currency translation gains hadn't buoyed them, the entire health industry would have looked wan.

The solution? If you're a drugmaker, the answer was obvious: Sell off any sideline businesses you may have had in medical supplies and other distractions and concentrate instead on your core activities. Thus, Warner-Lambert amputated Reichert Scientific Instruments and Deseret Medical to focus more closely on pharmaceuticals (FORBES, *Nov. 17, 1986*). Similarly, Rorer Group, which sold its Cilco and Richards Manufacturing surgical products businesses, now wants to trade its Armour Pharmaceutical blood plasma division for an over-the-counter or prescription drug line. American Home Products is in the process of selling its $460 million Brach's candy division.

Medical suppliers also retrenched to primary businesses. Baxter Travenol, having acquired American Hospital Supply in November 1985, sold five divisions and announced plans to cut its work force by 5,000 over the next four months. Johnson & Johnson Co. dumped its moneylosing Technicare and ultrasound diagnostic imaging divisions, along with other assets.

Why are margins so tight throughout much of the industry? Overcapacity, for one thing. After declining 4.9% in 1985, hospital admissions fell another 2.5% in 1986, resulting in an average 64% occupancy rate across the country. Medicare's 1.2% increase in fixed-fee payments was more than offset by

Most improved

For sticking to a painful restructuring plan that tripled earnings on a 20% increase in sales over the last three years, Becton Dickinson earned the title of most improved among health companies for 1986. Under Chairman Wesley Howe, Paramus, N.J.-based Becton was slow to react to the industrywide profit squeeze. But when the company did get into gear, it pared operations deeply, made difficult staff cuts and invested smartly in new technology.

Four years ago Becton's earnings were stalled at around $76 million annually. But by unloading low-margin businesses like its Endevco vibration monitor business for $38 million, consolidating its diagnostics operations and cutting manufacturing costs, Becton boasted 47% gross margins this year—a five-point gain over 1983 and two points above the average for the medical supply industry. Says Howe: "We sharpened our focus on the health care industry, sorted out those businesses with the best opportunity to do well, and Becton Dickinson is a far stronger company because of it."

Becton Dickinson Chairman Wesley Howe Ted Kappler

Becton Dickinson's stock rewarded anyone who stuck with it during the company's three-year restructuring plan, rising from $18 at the end of 1983 to about $48 recently. That not only surpasses the broad market averages but beats the performance of competitors within the health industry as well.

an estimated 7.5% rise in in-patient expenses.

Hospitals, too, pared costs and dumped unprofitable properties. Hospital Corp. of America, the largest hospital chain, cut patient capacity 3% but still recorded a 3.6% loss in occupancies. National Medical Enterprises lopped off 20% of its holdings in the bloated general hospital market. It invested in nursing homes, psychiatric hospitals and rehabilitation facilities—all high-growth businesses.

Yet for the present gloom, the fundamentals in the hospital sector may in fact already be starting to improve. With the population aging, it is only a matter of time before the current decline in hospital admissions levels off, then begins to rise again. More important, consolidation within the industry has already reduced the number of available beds by 4% in the last three years, and as the process continues, occupancy rates will inevitably rise. ■

Health

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Drugs													
American Home Prods	67/79	1	34.3%	33.4%	1.7%	15.6%	13	3.9%	5.4%	8	10.9%	9.1%	very high
SmithKline Beckman	70/●	2	28.7	22.2	2.7	14.0	3	12.7	15.0	11	6.3	1.6	very high
Abbott Laboratories	55/71	3	26.8	28.3	25.3	14.1	5	10.4	13.6	3	17.7	18.8	very high
Bindley Western Inds	●/●	4	24.7	14.6	120.6	0.9	2	14.6	9.4	1	22.8	18.0	very high
Bristol-Myers	67/74	5	23.6	22.7	6.2	12.0	7	6.9	9.1	6	13.9	6.6	very high
Eli Lilly	NA/NA	6	22.6	23.4	14.3	15.7	12	4.7	10.4	9	10.5	10.8	very high
Merck	87/●	7	20.9	24.2	5.9	16.2	9	5.8	10.9	10	6.9	25.3	high
Pfizer	60/NA	8	19.7	21.2	8.4	14.7	8	5.9	11.1	2	18.2	11.8	very high
Rorer Group	●/●	9	19.3	52.9	97.9	20.8	11	4.9	22.9	13	0.1	218.1	very low
Bergen Brunswig	76/68	10	18.9	12.8	137.0	0.7	1	28.3	25.9	4	15.0	–15.4	very high
Upjohn	79/88	11	16.9	18.4	29.5	10.8	14	3.4	9.3	12	2.2	26.7	very low
Sterling Drug	32/NA	12	15.2	13.2	20.1	6.3	17	0.8	6.7	14	–0.6	–15.5	very low
Squibb	58/79	13	14.7	18.0	11.4	14.2	10	4.9	–5.3	7	11.8	22.1	very high
Schering-Plough	58/63	14	14.3	14.6	20.9	10.9	15	1.8	21.2	15	–1.7	13.6	very low
Bausch & Lomb	81/82	15	13.8	17.6	29.3	10.9	18	0.6	14.5	5	14.3	10.1	very low
McKesson	64/47	16	13.2	12.5	60.6	1.3	6	7.1	25.2	17	–3.0	10.1	low
American Cyanamid	32/57	17	10.9	9.9	34.2	4.3	16	0.9	3.7	16	–1.8	–0.3	very low
Warner-Lambert	66/68	18	5.1	def	42.2	def	19	–1.9	–5.3		NM	P–D	NM
National Intergroup	NA/NA	19	def	def	70.0	def	20	–10.7	312.1		NM	D–D	NM
AH Robins	NA/NA	20	def†	NE	NE	9.5	4	10.9	11.5		NM	D–P	NM
Medians			**17.9**	**17.8**	**23.1**	**10.9**		**4.9**	**11.0**		**6.6**	**10.1**	
Medical supplies													
SmithKline Beckman	29/ 8	1	28.7%	22.2%	2.7%	14.0%	2	12.7%	15.0%	4	6.3%	1.6%	very high
Abbott Laboratories	44/28	2	26.8	28.3	25.3	14.1	3	10.4	13.6	1	17.7	18.8	very high
Johnson & Johnson	34/14	3	19.4	10.9	8.1	5.2	6	5.3	9.5	3	7.0	–38.5	high
Hillenbrand Inds	27/33	4	17.7	17.3	47.5	7.3	5	9.4	20.7	2	7.5	24.5	high
Baxter Travenol Labs	●/●	5	14.1	15.7	76.4	9.2	4	10.1	150.3	7	–13.8	500.0+	very low
Becton Dickinson	83/86	6	11.8	15.6	33.0	8.5	7	3.3	14.7	5	0.5	24.8	very low
Corning Glass Works	27/27	7	9.0	13.6	23.5	9.0	8	2.1	7.1	6	–4.3	70.1	low
Henley Group	NA/NA		NA	NA	3.0	def	1	24.5‡	NA		NA	NA	NA
Medians			**17.7**	**15.7**	**24.4**	**8.8**		**9.8**	**14.7**		**6.3**	**24.5**	
Health care services													
Charter Medical	●/●	1	36.4%	20.1%	210.8%	6.9%	6	26.1%	23.0%	2	38.4%	8.0%	very high
Humana	●/●	2	32.8	6.0	135.6	2.1	8	14.2	18.8	4	7.3	–74.4	very high
Maxicare Health	●/●	3	31.8††	15.1	52.2	4.9	1	64.2	44.6	1	89.4‡‡	57.8	very high
Manor Care	79/84	4	28.7	24.9	190.2	8.0	2	54.0	4.5	3	36.3	11.5	very high
American Medical	●/●	5	20.6	def	233.6	def	5	31.7	10.3	8	12.6	P–D	high
National Medical	●/●	6	19.6	9.5	134.7	3.1	4	33.3	18.1	5	21.5	–39.1	very high
Hospital Corp	●/●	7	18.2	11.0	137.7	4.8	7	24.8	19.7	7	21.2	–29.6	very high
Beverly Enterprises	●/57	8	15.2	11.8	178.1	3.7	3	42.0	19.5	6	21.4	13.7	very high
Medians			**24.7**	**11.4**	**157.9**	**4.3**		**32.5**	**19.2**		**24.4**	**–10.8**	
Industry medians			**19.3**	**15.6**	**31.3**	**8.3**		**8.3**	**13.6**		**10.5**	**10.5**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

● 90% or more. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 61.

HEAVY EQUIPMENT

The industry is still trying to dig out from under a decade of disappointment.

By Barry Stavro

FOR MANY COMPANIES in this group the 1980s have been like a forced march in a circle. In spite of years of cost-cutting and restructuring, demand for heavy equipment continues to decline faster than companies can cut back. The result is that some of the major players in this industry in 1986 operated at an alarmingly low 60% of capacity, with consequences that can be seen by simply checking the Yardsticks on the page opposite. Seventeen of the 48 companies were in the red for the past 12 months—an even worse showing than the year before.

Why? In a broad range of key markets—farming, mining, oil field machinery—reality proved to be worse than even the gloomiest fantasy. The continuing farm depression, for example, along with a strike by the United Auto Workers, savaged Deere & Co., the world's leading maker of farm machinery. Deere lost $229 million in 1986, its first full-year loss since 1933.

Meanwhile, troubled Clark Equipment, a leading construction machinery outfit, moved more production abroad in 1986, trying to cut costs. But Clark remains short of cash and is selling its credit subsidiary to Chase Manhattan for $191 million. Or take Varity Corp., the new name for good old Massey-Ferguson. By any name the company has had rough going: three major restructurings in four years. Varity now hopes it has found a way out by spinning off some of its farm equipment operations into a separate corporation, and it is diversifying into automotive parts, plumbing and window products.

For many of these companies, survival now boils down to finding ways to adapt to a permanent decline in old markets. Case in point, Combustion Engineering. For years this company built power plants for utilities. But big new plants are no longer in demand. So Combustion Engineering has moved into a new field: building waste-to-energy cogeneration plants that can produce steam by burning garbage.

Another company trying to diversify out of a shrinking market is Deere. It has contracted to make engine blocks and diesel engines for General Motors as well as vehicle chassis for Winnebago.

Any reason to hope for a rebound in 1987? Nope. The elimination of investment tax credits certainly won't encourage marginal buyers of heavy equipment to go shopping. In fact, industry analyst Frank Manfredi expects construction equipment sales to be down 7% this year. "The companies that have survived this long are close to the break-even point by now, or operating at low profit. But I don't see any one market that will suddenly be up 20%, with all of it dropping to the bottom line," he says. Expect the forced march to continue. ■

Most improved

Kevin Horan/Picture Group

Caterpillar Chairman George Schaefer

Most companies in this industry were happy simply to have survived 1986. But after losing nearly $1 billion between 1982 and 1984, Caterpillar Inc. has bounced back impressively. Income rose by better than $100 million and return on equity improved by nearly half in the latest 12 months. By almost any measure, Caterpillar's performance is certainly respectable. For a lot of heavy equipment companies, respectability is still a very distant dream.

Cat's chairman, George Schaefer, 58, deserves the credit. By cutting costs by 22% and employment by 35% in the past five years, he has not only freed up cash to trim long-term debt by more than half but also has shown his competitors how to turn a profit in the toughest market in more than half a century. Says Schaefer of his achievement, "We have some stability in the marketplace."

Schaefer is particularly proud of Cat's success against archrival Komatsu during the year. As the yen rose in value, Komatsu eventually was forced to raise prices an average of 18% on its construction equipment sold in the U.S. But instead of using Komatsu's double-digit increase as an excuse to fatten up his own margins, Schaefer took a longer-term view and increased Cat's prices by only 3% during the year. Result: Enough customers switched from Komatsu to Cat products so that the Peoria, Ill.-based firm's market share rose 2% while Komatsu's declined proportionately. That is the kind of gutsy decision making employees and investors alike have a right to expect from corporate managers, and Schaefer has not disappointed them.

Heavy equipment

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Agricultural													
Deere	76/71	1	4.0%	def	52.6%	def	1	–6.3%	–7.3%	1	–33.1%	P–D	average
Varity Corp	69/65	2	NE	34.1%	161.6	2.6%	2	–16.9	1.3		NM	D–P	NM
Medians			4.0	15.1	107.1	0.2		–11.6	–3.0		–33.1	P–D	
Building and mining													
Joy Manufacturing	47/48	1	9.6%	def	20.9%	12.1%	3	–7.6%	–13.4%	1	–30.2%	P–D	average
Caterpillar	•/•	2	def	10.1%	31.7	4.2	2	–6.6	11.8		NM	D–P	NM
Becor Western	60/DP	3	def	1.5	24.0	0.7	1	–6.3	–1.9		NM	20.0%	NM
Clark Equipment	73/34	4	def	def	55.3	def	4	–8.4	–6.0		NM	D–D	NM
Harnischfeger Inds	65/77	5	def	def	57.6	def	5	–8.8	42.5		NM	P–D	NM
American Hoist	59/NA	6	def	def	79.4	def	6	–10.7	–2.3		NM	D–D	NM
Medians			def	def	43.5	def		–8.0	–2.1		NM	P–D	
Industrial													
Ametek	72/72	1	20.3%	15.9%	67.3%	6.2%	10	4.5%	16.5%	5	11.7%	0.6%	high
Nacco Industries	29/23	2	18.1	22.8	378.3	6.2	14	3.4	19.8	1	65.7	46.7	high
Pentair	31/42	3	17.8	10.0	117.3	2.4	1	23.9	2.1	8	8.5	–37.6	average
Emhart	34/30	4	16.9	def	66.4	def	18	0.0	14.7	10	3.8	P–D	average
Colt Industries	31/24	5	16.8	26.0	76.2	6.9	33	–5.8	–13.4		NM	–20.4	NM
Stanadyne	44/26	6	16.5	13.1	10.6	5.5	12	3.9	5.4	4	16.7	–4.7	average
Kaman	NA/NA	7	16.0	16.4	13.8	3.5	5	8.0	4.0	3	19.0	7.0	very high
Tecumseh Products	•/•	8	15.5	10.9	4.1	6.5	16	2.8	–4.7	9	8.2	–12.9	average
Sundstrand	37/13	9	15.0	13.5	51.4	5.7	11	4.5	15.9	14	–6.0	9.2	low
Illinois Tool Works	•/•	10	14.6	10.1	116.5	5.8	4	8.6	20.7	12	–2.3	–29.3	very low
Stanley Works	43/39	11	14.4	16.1	50.5	5.6	8	5.0	20.6	7	8.6	6.6	average
Whittaker	62/60	12	14.0	def	21.2	def	27	–4.4	–50.8	21	–17.3	P–D	high
Foster Wheeler	59/55	13	13.8	5.9	35.9	1.9	32	–5.3	2.6	20	–16.2	–27.1	very high
Parker-Hannifin	55/54	14	13.8	13.9	36.7	5.0	7	6.4	21.8	11	0.6	1.5	very low
Zurn Industries	•/89	15	13.1	9.0	8.7	4.2	21	–0.7	–1.7	13	–5.9	–5.6	low
Cooper Industries	53/39	16	12.4	11.0	76.9	4.1	13	3.7	32.9	19	–15.7	21.2	average
General Signal	31/27	17	12.1	3.8	13.6	2.1	17	2.8	–7.1	17	–12.7	–67.0	average
Bearings	•/•	18	9.4	1.5	33.1	0.4	6	7.9	–1.4	15	–6.8	–80.5	low
Combustion Eng	•/•	19	8.6	7.7	14.0	2.0	34	–5.9	–4.5		NM	D–P	NM
Trinova	80/81	20	8.3	22.7	27.3	8.3	2	11.0	–13.6	2	43.6	81.4	high
McDermott Intl	52/PD	21	7.4	18.3	63.3	6.6	31	–5.3	1.0	22	–19.5	D–P	low
Day International	40/43	22	5.9	9.1	79.9	1.9	9	4.7	–0.9	6	11.3	16.0	very low
Rexnord	88/89	23	5.7	6.5	37.7	2.7	22	–1.9	3.5	16	–8.8	–17.5	very low
Stewart-Warner	43/51	24	5.6	3.9	0.0	2.4	26	–4.2	–1.5	18	–13.2	–27.9	average
Ingersoll-Rand	•/10	25	4.8	8.0	39.8	3.1	28	–4.8	6.9		NM	20.5	NM
Dresser Industries	45/PD	26	4.7	def	23.0	def	23	–2.0	–5.1		NM	P–D	NM
Foxboro	•/DD	27	3.9	def	2.6	def	19	–0.1	4.1		NM	P–D	NM
Norton	•/DD	28	3.6	def	28.6	def	24	–2.1	–4.2		NM	P–D	NM
Timken	71/PD	29	3.6	def	20.8	def	29	–4.9	–3.0		NM	P–D	NM
Ampco-Pittsburgh	34/47	30	2.4	def	45.7	def	20	–0.7	0.3		NM	P–D	NM
Cincinnati Milacron	•/DD	31	2.3	6.9	63.1	2.3	30	–5.3	18.0		NM	D–P	NM
Stewart & Stevenson	88/DD	32	def	def	48.7	def	39	–9.7	–5.4		NM	P–D	NM
Dravo	29/DP	33	def	3.2	31.3	0.7	36	–8.7	4.1		NM	D–P	NM
Chicago Pneumatic	62/NM	34	def	def	48.6	def	25	–3.6	–28.6		NM	P–D	NM
Eagle-Picher Inds	62/60	35	def	def	32.5	def	15	2.9	0.9		NM	P–D	NM
General Refractories	70/61	36	def	31.3	210.5	2.3	35	–8.0	20.4		NM	321.7	NM
Chromalloy American	38/•	37	def	11.1	47.0	3.5	38	–9.6	–5.2		NM	D–P	NM
Harnischfeger Inds	34/22	38	def	def	57.6	def	37	–8.8	42.5		NM	P–D	NM
Allis-Chalmers	•/DD	39	def	def	NE	def	40	–15.1	–15.9		NM	D–D	NM
Masco Industries	21/27		NA	13.5	417.1	1.9	3	9.9	9.9		NA	–42.7	NA
Medians			8.3	7.9	38.8	2.3		–0.7	1.6		–16.2	–27.9	
Industry medians			5.7	6.7	42.8	2.2		–2.9	1.0		–33.1	–37.6	
All-industry medians			12.6	13.0	46.0	3.9		7.1	3.9		–0.9	2.8	

• 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see page 61.

INDUSTRIAL AND OFFICE SERVICES

Profits drooped in 1986. But though the service sector may be down, it is by no means out.

By Adam Snitzer

THESE COMPANIES DO EVERYTHING from hauling garbage to programming supercomputers, and customers turn to them for one main reason: to cut costs. Yet a weak economy proved more than a match for the industry in 1986. Most companies failed to equal last year's performance. The industry's return on equity over the past 12 months fell 18%.

Despite the downturn, ServiceMaster Industries, which cleans hospitals, led for the third year in a row with a 44.6% return on equity over the past 12 months, largely from steady repeat sales to health care, industrial and educational customers. Other highfliers: Browning-Ferris (22.2% five-year average return on equity) and Waste Management (20.7% return).

During 1986 big advantages accrued to waste disposal companies—Browning-Ferris and Waste Management are two such—with plenty of landfill space for solid and toxic waste disposal. "These days we have what's known as the not-in-my-backyard syndrome," says E.F. Hutton analyst Douglas Augenthaler. "People don't want more landfills, so they fight to keep you out." That blocks new companies from getting into the business even as it allows for 20% annual increases in landfill prices. Established firms got a further boost in October when Congress passed the new Superfund bill appropriating $8.5 billion to clean up existing toxic sites.

In office services, Comdisco, a huge dealer in new and used IBM computers, topped its sector for the second year in a row. A 55.1% sales increase—due mainly to the new IBM 3090

Industrial and office services

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Industrial services													
ServiceMaster Inds	•/•	1	44.9%	44.6%	14.5%	3.1%	2	19.2%	15.3%	2	19.0%	6.1%	very high
Browning-Ferris Inds	•/•	2	22.2	22.8	13.6	10.0	3	15.5	15.1	1	19.3	18.4	very high
Waste Management	•/•	3	20.7	18.0	37.0	11.0	1	22.1	19.9	3	17.4	20.5	very high
National Service	25/NA	4	18.9	17.1	4.9	5.6	5	8.2	7.7	6	9.0	5.3	very high
Rollins	•/•	5	18.5	56.9	0.0	6.1	6	2.3	8.8	5	9.3	15.5	low
Johnson Controls	52/44	6	15.1	12.4	17.5	3.6	4	11.6	47.7	4	13.7	–1.9	very high
Ogden	74/54	7	8.2	def	51.0	def	8	–11.4	–30.6		NM	P–D	NM
Research-Cottrell	76/77	8	2.8	11.5	7.2	3.6	7	–1.2	–3.5		NM	D–P	NM
Medians			**18.7**	**17.6**	**14.1**	**4.6**		**9.9**	**12.0**		**11.5**	**6.1**	

• 90% or more. **DD:** Segment deficit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see page 61.

Most improved

David Strick/Onyx

Hoover of Computer Sciences

While most of the industry slumped last year, Computer Sciences, that once-sleepy California computer services firm, was enjoying a spectacular turnaround. Chief Executive W.R. Hoover installed six new managers in key positions, zeroed in on megadollar deals, nearly doubled sales growth, doubled stock price and won FORBES' "most-improved" award for his company.

"We focused the entire company on bidding and winning," says Hoover, whose retooled firm won more than half the huge government contracts it went after. The company bagged such deals as the $186 million Air Force office automation project, which includes making more than 13,000 computers and telephones work together. Contracts this big take five to eight years to complete, but the $648 million already booked as revenue helped give the company 19.5% sales growth for the year. Earnings adjusted for a nonrecurring gain in 1985 are up 26%. Return on equity dipped, however, because of a 22% increase in book value per share.

Now, with strong sales growth locked in from government contracts already won, Hoover is concentrating on commercial jobs. The goal is to raise profit margins by 55%, to around 7.4% pretax, and boost return on equity to 15%. After doubling earlier in the year, the stock recently started climbing again and now hovers at about $41 per share. Clearly investors think Hoover has more bacon yet to bring home.

line—boosted earnings per share by only 35.5% partly because the company invested to build up its sales force.

Another bright spot involved temporary office personnel agencies, which performed well as more employers cut labor costs by staffing up with temps on an as-needed basis. In Manpower's case, in fact, the numbers hide a real gem. The company posted a return on equity deficit after taking a ghastly $3-per-share loss on the sale of its floundering Parker Pen division in January. But earnings from continuing operations were $1.25 a share in fiscal 1986 (ended Feb. 28). Results in 1987 are expected to come in at $2 a share, with revenues of over $1 billion and a return on equity of 25%. ■

Industrial and office services

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Office products, services													
Comdisco	•/•	1	34.0%	28.3%	132.6%	8.7%	2	17.8%	55.1%	1	37.2%	35.5%	high
Kelly Services	•/•	2	24.7	28.0	0.0	3.6	5	16.8	18.2	5	17.1	16.1	high
United Stationers	•/•	3	24.6	16.8	43.1	2.3	1	27.2	15.7	3	23.1	–5.9	very high
H&R Block	42/18	4	23.7	21.8	2.0	9.7	6	16.3	24.6	8	8.8	4.8	very high
Herman Miller	•/•	5	22.4	19.7	19.5	6.7	7	16.0	5.7	4	21.7	–12.1	high
PHH Group	•/•	6	21.7	14.5	293.6	4.2	3	17.7	14.2	7	12.8	–13.0	very high
Automatic Data	•/•	7	18.8	17.8	46.9	8.8	4	17.4	17.9	6	13.9	17.2	very high
Moore Corp	•/•	8	15.3	14.7	5.2	6.0	15	2.6	8.4	11	2.5	–5.7	very low
Alco Standard	46/42	9	15.3	12.5	73.4	1.3	8	10.7	13.1	12	–2.1	15.1	low
Computer Sciences	•/•	10	14.9	12.3	24.5	3.0	12	6.2	19.5	10	2.7	–13.0	very low
Borg-Warner	30/18	11	13.0	12.9	23.5	6.1	10	6.7	–8.9	9	6.0	26.9	average
Dennison Mfg	45/51	12	12.5	5.7	53.5	1.8	11	6.2	4.1	14	–15.5	–54.6	very low
Bell & Howell	70/67	13	11.7	13.6	77.7	4.0	14	2.9	10.0		NM	5.0	NM
Esselte Business Sys	•/•	14	10.8	13.5	38.0	4.4	9	7.6	38.0	2	24.1	25.2	high
Xerox	72/NA	15	10.8	10.1	32.6	5.4	16	1.0	5.1	13	–15.1	69.9	high
Nashua	76/76	16	3.6	14.8	16.5	3.2	18	–2.1	14.7		NM	46.8	NM
Manpower	•/DD	17	def	def	56.5	def	13	5.4	17.5		NM	P–D	NM
Savin	•/DD	18	def	def	NE	def	17	–1.8	–12.0		NM	D–D	NM
AM International	•/•	19	NE	def	107.0	0.4	19	–6.5	12.6		NM	P–D	NM
Medians			**14.9**	**13.8**	**38.0**	**4.0**		**6.7**	**14.2**		**2.7**	**4.8**	
Industry medians			**15.3**	**14.5**	**24.5**	**4.0**		**7.6**	**14.2**		**8.8**	**5.2**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

• 90% or more. **DD:** Segment deficit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. For further explanation, see page 61.

INSURANCE

After storm and stress, clear sailing lies ahead—for most.

By James Ring Adams

If neither Congress nor state regulators intrude, insurance firms could have two solid years ahead. Income statements are beginning to show profits, the all-important "combined ratio" (loss and expense compared with premium dollars) is improving and new capital is coming in.

The badly depleted industry responded to the horrendous underwriting losses earlier in the decade by rejecting risks and boosting prices, leading to much agonizing over such matters as the liability crisis and tort reform. Yet, underneath the fuss, earnings revived dramatically, especially for property and casualty insurers, which took the brunt of the bad risks.

As conditions have improved, investors have started pumping fresh funds into insurance companies—perhaps as much as $9.2 billion during the first three quarters of 1986 alone. Much of this infusion will bolster the industry's anemic loss reserves, which by one estimate are at least 10% short. With supply and demand returning to balance, pressure for premium increases is dropping rapidly, but not to the point that threatens the return of destructive price-cutting.

But a few companies, such as Beneficial and Mission Insurance Group, may have taken on too much water to be saved. "The rising tide won't lift all the boats," says Maurice R. (Hank) Greenberg, chief executive of American International Group, "especially those that are already sunk." ■

Insurance

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Brokers													
Marsh & McLennan	73/81	1	25.4%	44.6%	1.6%	13.4%	1	13.3%	33.7%	1	–0.8%	49.1%	very low
Alexander & Alexander	88/•	2	def††	1.0	42.7	0.6	2	8.2‡	16.8		NM	D–P	NM
Medians			9.9	22.8	22.2	7.0		10.8	25.3		–0.8	49.1	
Diversified													
Teledyne	30/NA	1	26.5%	18.4%	35.9%	9.0%	20	2.3%	–2.3%	2	23.3%	–41.1%	average
Loews	75/26	2	22.9	22.9	44.4	7.2	17	7.6	30.4	1	23.3	1.8	high
Cincinnati Financial	•/•	3	18.1	18.3	1.5	12.1	8	12.6	28.7	8	8.7	64.9	very high
Combined Intl	•/•	4	17.9	24.5	17.9	14.7	9	12.0	24.3	10	7.6	41.6	average
American Bankers	•/•	5	17.9	18.6	69.3	4.2	5	13.3	29.4	5	13.8	136.9	average
Farmers Group	•/•	6	17.7	16.7	14.9	18.9	3	16.3	13.6	7	11.1	15.3	very high
Old Republic Intl	•/•	7	17.4	14.4	22.4	6.8	2	16.3	28.6	9	7.8	5.0	high
American Intl Group	•/•	8	16.9	16.9	5.1	7.7	4	14.8	58.1	13	1.9	76.6	very low
General Re	•/•	9	14.7	13.9	5.0	9.0	7	12.6	40.1	17	–10.6	394.2	low
American General	88/85	10	14.6	13.5	21.1	10.0	1	23.1	3.7	12	3.4	45.4	very low
Safeco	88/86	11	13.0	20.3	40.8	9.0	14	9.9	16.7	6	11.8	93.6	average
Sears, Roebuck	25/41	12	12.0	11.6	82.2	3.1	11	11.0	8.4	4	16.5	7.9	high
Kemper	79/35	13	12.0	17.2	9.4	5.8	10	11.5	13.5	15	–8.9	135.7	low
CNA Financial	•/DD	14	11.9	19.1	1.6	7.0	16	8.2	35.6	3	21.1	34.5	average
Transamerica	81/DP	15	11.1	12.0	105.7	4.4	19	6.1	–8.2	16	–9.6	50.0	very high
Travelers	•/•	16	10.9	11.5	1.3	3.0	12	10.7	6.6	14	–2.3	48.2	low
Lincoln National	•/•	17	10.8	12.2	9.6	4.1	6	13.0	19.8	11	4.6	13.3	low
ITT	34/DP	18	9.0	5.7	42.2	2.8	22	–9.2	8.4	19	–19.2	–20.1	very high
Continental Corp	•/•	19	8.4	12.6	14.4	4.9	15	8.9	17.9	18	–18.8	292.2	low
Aetna Life & Cas	•/•	20	7.4	16.6	7.9	3.9	18	6.1	14.5	20	–28.0	153.0	average
Beneficial Corp	44/ 4	21	5.2	def	404.1	def	21	–5.9	0.0		NM	P–D	NM
Cigna	57/DD	22	1.9†	def	9.4	def	13	10.2	4.4		NM	P–D	NM
Medians			12.5	15.5	16.4	6.3		10.9	15.6		4.0	43.5	
Life and health													
First Executive	•/•	1	45.4%	15.4%	0.0%	4.5%	5	29.5%	15.8%	3	24.0%	7.4%	low
ICH	•/•	2	36.8	45.7	88.9	11.3	1	68.8	9.3	1	45.5	63.5	average
EF Hutton Group	25/•	3	17.3	2.9	36.7	0.8	7	23.5	9.2	17	–17.4	–75.3	average
Integrated Resources	38/39	4	15.7	1.1	118.2	4.1	3	47.9	26.2	12	7.5	–76.1	low
American Family	•/•	5	15.4	23.7	14.3	6.4	11	17.3	40.2	2	25.1	59.5	very high

• 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth.
For further explanation, see page 61.

Most improved

Fireman's Fund may be plodding along the bottom of the Yardsticks table below, but it's an impressive turnaround in dozens of ways computers can't measure. Inadequate reserves have been redressed with $1 billion of new funds, part contributed by former owner American Express, part generated when the unit was spun off in 1985. More important, says insurance company Chairman William McCormick, a one-time nuclear engineer who orchestrated the firm's turnaround under the guidance of his boss, holding company head John Byrne, "everything" about its operations has changed. Underwriting is sounder, policy and claims processing is much more accurate and employee morale is up. The measures put in place by McCormick and Byrne now promise healthy rewards for shareholders not just in 1987 but perhaps on out into the 1990s. Says Byrne, "You ain't seen nothing yet."

William McCormick of Fireman's Fund

Bob Holmgren

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Torchmark	89/●	6	14.8%	22.8%	15.2%	14.1%	8	23.3%	17.2%	6	16.9%	73.9%	average
Ethyl	28/22	7	14.3	20.6	44.4	10.3	19	–1.8	0.9	9	11.1	54.2	very high
Provident Life & Acc	●/●	8	14.0	14.6	0.0	6.9	13	11.3	17.4	7	14.6	19.8	very high
Capital Holding	●/●	9	13.6	20.8	19.4	10.0	6	28.4	12.9	11	9.5	67.6	high
American Natl Ins	87/NM	10	13.5	11.9	0.8	19.2	17	4.1	5.3	5	17.5	–7.9	high
Jefferson-Pilot	88/84	11	12.7	9.9	0.0	11.1	16	4.2	2.6	8	12.6	–30.2	average
Business Men's Assur	69/64	12	12.6	def	9.3	def	14	9.5	1.7	13	6.2	P–D	average
Monarch Capital	●/●	13	11.8	19.5	0.0	5.8	4	38.7	27.5	10	10.7	68.4	average
Life Investors	●/●	14	10.3	10.8	30.6	4.0	9	21.9	19.6	4	22.0	6.7	high
USLife	●/●	15	9.3	10.4	39.7	7.8	15	4.4	14.2		NM	D–P	NM
Equitable of Iowa	58/●	16	7.7	15.6	8.6	8.5	18	1.7	–3.5	15	–2.4	79.8	very low
Washington National	●/●	17	7.6	9.3	4.2	5.8	20	–2.4	–19.0	16	–12.9	148.5	average
Northwestern Natl Life	●/●	18	7.2	13.3	18.0	3.7	2	62.6	–9.6	14	0.2	170.5	very low
American Can	46/NA	19	4.7	15.6	39.0	4.9	21	–3.3	9.6		NM	63.6	NM
Kaufman & Broad	54/49	20	4.4	13.9	124.6	3.7	12	11.4	33.6		NM	10.7	NM
UNUM Corp	●/●		NA	NA	0.0	5.8	10	17.9‡	13.5		NA	NA	NA
Medians			**13.1**	**14.3**	**15.2**	**5.8**		**17.3**	**12.9**		**10.1**	**54.2**	
Property and casualty													
Geico	●/●	1	34.4%	41.4%	30.7%	15.4%	6	10.8%	19.9%	3	26.0%	59.1%	high
Reliance Group	82/79	2	19.4††	3.1	127.6	1.3	2	14.4‡‡	20.4	2	39.4‡‡	–80.7	very low
Universal Leaf	27/29	3	19.1	16.6	30.5	3.5	12	0.5	13.3	4	9.9	1.9	very high
Berkshire Hathaway	45/41	4	17.4	27.3	6.9	26.8	1	15.2	138.9	1	46.3	140.5	very high
Hanover Insurance	●/●	5	11.4	16.5	0.0	5.5	5	11.2	27.3	8	–15.3	170.9	average
Ohio Casualty	●/88	6	11.1	16.3	0.0	6.5	9	6.0	22.8	6	–13.3	96.2	high
Xerox	22/NA	7	10.8	10.1	32.6	5.4	11	1.0	5.1	7	–15.1	69.9	high
Chubb	71/DD	8	10.5	14.1	24.2	6.1	4	13.2	20.4	5	–10.2	27.4	average
St Paul Cos	●/DP	9	7.3	15.0	12.5	5.4	8	7.1	21.1		NM	D–P	NM
USF&G	●/DD	10	6.1	16.0	0.0	4.8	7	8.7	26.5		NM	D–P	NM
Orion Capital	●/DD	11	5.2	def	20.6	def	3	13.4	17.5		NM	D–D	NM
Fireman's Fund	●/DD		NA	12.8	16.4	4.9	10	4.9	7.0		NM	D–P	NM
Home Group	●/DD		NA	3.3	25.6	1.3	13	–0.9	7.1		NM	D–P	NM
Medians			**11.1**	**15.0**	**20.6**	**5.4**		**8.7**	**20.4**		**–15.1**	**59.1**	
Industry medians			**12.6**	**14.6**	**17.2**	**5.8**		**11.1**	**16.3**		**3.4**	**48.2**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

●90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 61.

LEISURE AND RECREATION

In the once-troubled leisure and recreation industry, stock prices outperformed most companies' earnings for a change. On Wall Street they call that discounting the future.

By Allan Dodds Frank

Fears of foreign travel hurt tourism abroad, but cheaper gasoline prices and a string of movie hits wound up pulling people out of their homes and into theaters, hotels and gambling casinos anyway, giving the leisure and recreation industry some of the best overall profits it had seen in years. During the last 12 months, earnings per share for the group were up 7.7%, compared with only 2.8% for all of U.S. industry. Revenues climbed 10.4%, more than double the all-industry median. Those trends are likely to continue into 1987 as well, though with S&P's leisure and entertainment indexes up 30% and 20%, respectively, in 1986, the big gains for investors probably have been made by now.

Much of the action focused on acquisitions and merger rumors that swept the motion picture industry. MCA paid $387 million to acquire a New Jersey broadcast property, WOR-TV, and $159 million more for 50% of the Cineplex Odeon theater chain. Cineplex and MCA's Universal Studios' subsidiary thereupon announced plans to put up $130 million to build a combination studio and theme park in Florida.

At Gulf & Western's Paramount Pictures subsidiary, the

Most improved

Max Aguilera-Hellweg

Disney's Eisner (left) *strolling with President Frank Wells*

"The most important thing we've done with this company is to stay away from emotional investments in overpriced media assets." So says Michael Eisner, chairman of The Walt Disney Co., and during the year that strategy paid off handsomely enough to make his company the most improved of any in the industry for 1986. Instead of chasing after high-priced TV stations or movie theaters, Eisner raised $500 million in two limited partnerships for films and invested in areas of proven Disney expertise, such as feature films, TV syndication, pay cable, videocassettes and toy licensing—all areas in which success brings healthy cash flow rewards. During 1986 that approach helped Disney's revenues rise about 50% over 1984's, to $18 per share, while its stock price all but quadrupled (adjusted for a 4-to-1 stock split), from 15 to a high of 55 a share. Earnings rose most of all, going from 68 cents a share in 1984 to $1.82 in 1986. Now analysts expect to see another 20% gain, to about $2.20 a share, during the year ahead. Given its planning gifts, and its disdain for emotion, Disney looks like a strong performer for years to come, so much so that even at its current lofty price, the stock may well still be undervalued.

story instead was the studio's recovery following setbacks that attended the 1984 departure of Paramount's chief, Barry Diller, who left for Twentieth Century-Fox. During 1986 Paramount's new head, Frank Mancuso, produced one hit after another, including *Top Gun* and *Crocodile Dundee*, thus regaining the top spot for Paramount as Hollywood's biggest box office success and doubling its market share, to 20%. Disney, too, hit big, tripling its box office share to 10%.

The gambling industry proved similarly buoyant. The so-called win rate—the industry's measure of gross revenues—rose 6.6% over 1985 levels in Atlantic City, to about $2.25 billion, and 3% in Nevada, to $3.5 billion.

A question for 1987—where is the saturation point in Atlantic City? Two new pleasure domes will open for players this year, Showboat, Inc.'s Ocean Showboat by spring and Resorts International's Taj Mahal later on. Since the state of New Jersey legalized casino gambling in 1976, the effect of new casinos as they opened has been to increase the number of players. It's only prudent to wonder whether the Boardwalk is now getting crowded. ■

Leisure and recreation

Yardsticks of management performance

		Profitability					Growth**					
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Entertainment													
General Cinema	35/24	1	35.3%	22.7%	68.4%	8.9%	6	4.6%	4.8%	1	33.8%	–25.9%	high
United Artists	•/•	2	17.1	8.4	551.2	1.7	3	16.5	11.4	2	28.1	–43.6	high
Lorimar-Telepictures	80/NM	3	13.7	def	39.5	def	1	32.9	35.9		NM	P–D	NM
MCA	71/78	4	12.7	13.0	8.1	7.7	5	9.1	22.7	3	1.7	52.8	very low
CBS	25/17	5	10.4	30.7	85.0	4.5	7	4.3	2.1	5	–24.7	500.0+	average
Walt Disney	78/71	6	8.7	19.9	29.8	10.0	2	17.7	22.6	4	–12.1	41.1	very low
Gulf & Western	32/18	7	7.9	11.7	74.6	6.4	9	–13.8	11.7		NM	2.7	NM
Bally Manufacturing	68/50	8	6.5	6.7	256.1	2.0	4	13.3	14.0		NM	D–P	NM
Warner Comm	•/•	9	2.6	47.8	119.0	8.8	8	–3.3	25.6		NM	D–P	NM
Medians			**10.4**	**13.0**	**74.6**	**6.4**		**9.1**	**14.0**		**–24.7**	**2.7**	
Hotels and gaming													
Marriott	44/48	1	22.9%	21.1%	200.0%	3.9%	1	20.0%	21.3%	3	18.7%	17.1%	very high
Transworld	32/39	2	20.7†	23.6	26.0	7.2	5	5.4	29.0	2	33.4	74.1	average
Hilton Hotels	•/•	3	18.9	15.3	40.9	14.4	7	4.2	3.9	5	1.2	–13.2	very low
Holiday	•/77	4	13.7	18.2	196.1	7.0	8	2.6	–7.8	4	9.6	0.4	average
Caesars World	•/•	5	9.8	17.8	123.1	5.9	6	4.2	5.1		NM	27.1	NM
Del E Webb	34/11	6	7.5	13.7	79.4	6.7	9	–6.5	–9.0	1	43.3	19.1	high
Bally Manufacturing	31/49	7	6.5	6.7	256.1	2.0	2	13.3	14.0		NM	D–P	NM
Resorts Intl	•/•	8	5.2	def	424.7	def	4	5.5	–3.6		NM	D–D	NM
Ramada Inns	•/•	9	def	3.9	118.2	1.7	3	10.8	8.6		NM	7.7	NM
Medians			**9.8**	**15.3**	**123.1**	**5.9**		**5.4**	**5.1**		**1.2**	**12.4**	
Recreation													
Brunswick	70/71	1	28.0%	20.6%	19.7%	6.6%	2	6.7%	9.3%	3	47.4%	14.2%	low
Minstar	52/80	2	27.7	16.5	175.9	3.7	1	139.1	28.0	1	159.9‡	127.6	very high
Outboard Marine	80/79	3	11.2	2.9	22.6	1.1	3	5.0	10.4	2	51.8	–62.1	average
Medians			**27.7**	**16.5**	**22.6**	**3.7**		**6.7**	**10.4**		**51.8**	**14.2**	
Photography													
Fuqua Industries	24/17	1	20.0%	22.4%	140.3%	6.0%	3	–6.4%	–8.8%	1	12.6‡‡%	41.9%	low
Eastman Kodak	78/65	2	12.5	1.7	15.6	0.9	1	1.3	7.3	3	–19.4	–85.0	high
Polaroid	•/•	3	3.6	9.8	0.0	5.8	2	–2.6	24.2	2	–9.6	327.9	low
Medians			**12.5**	**9.8**	**15.6**	**5.8**		**–2.6**	**7.3**		**–9.6**	**41.9**	
Toys and electronics													
Coleco Industries	•/•	1	122.3%	3.2%	304.1%	0.6%	2	42.5%	–33.1%		NM	D–P	NM
Hasbro	•/•	2	33.4	21.4	22.3	7.7	1	71.0	12.9	1	71.2%	1.7%	high
Mattel	•/•	3	def†	11.2	175.7	2.2	5	–2.3	–4.1		NM	–69.4	NM
Kenner Parker Toys	•/DD		NA	0.5	50.1	0.1	4	0.6	NA		NM	NA	NM
Medians			**33.4**	**7.2**	**112.9**	**1.4**		**21.6**	**–4.1**		**NM**	**–33.9**	
Industry medians			**12.5**	**13.4**	**82.2**	**5.2**		**5.2**	**10.4**		**–10.9**	**7.7**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

• 90% or more. **DD:** Segment deficit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ‡‡Three-year growth. For further explanation, see page 61.

METALS

It takes more than mettle to stay alive in this business. Keep cutting costs . . . diversify . . . pray.

By John Merwin

WANT TO SEE A HORROR? Look at the next page. There are 36 metals companies listed. Fewer than half show any return on equity in the last 12 months.

The worst cases involve "integrated" steel producers that start from scratch with iron ore and coking coal. Despite two favorable conditions late in the year—falling steel imports, plus a strike at USX—steelmakers turned in sorry performances. Even with 19% of domestic steel production strike-bound at USX, third-ranked Bethlehem's operating losses reached $48.7 million in the third quarter. Second-ranked LTV Steel reported an operating income of $26.6 million, but only because of the illusory accounting practices allowed under a Chapter 11 filing.

Don't look for anything better this year. Auto production is likely to turn down, and capital spending continues weak. Then there's the loss of investment tax credits, which hurts many end users of steel. How much worse can it get? Consider this: Japan is laying off steelworkers.

Specialty steelmakers are a different story. They start with purchased scrap or semifinished steel and go from there. Some profit in special high-tech, such as Cyclops' production of jet engine alloys. Others, like Nucor, produce a wide array of products, but they do it outside the steel belt, using modern equipment and nonunion labor.

While some copper producers have reduced their costs sharply in the last year or two, the business remains only marginally profitable. That's because copper is a commodity, its price tied to worldwide capital spending, which is still in the doldrums. Thus copper remains stuck at 60 to 65 cents a pound.

Even so, independent mining companies, such as Asarco and Phelps Dodge, are buying properties, in contrast to the oil companies, many of which have jettisoned the copper subsidiaries they bought a few years ago. Why are independents

Most improved

Naming the most improved company in metals is like picking the prettiest hog at the county fair. In a market overloaded with subsidized foreign competitors, U.S. metal producers can do little to control supply and prices. What they can do is slash costs, eke out a living and survive in hopes of better days.

No company is facing this reality better than Phelps Dodge, America's largest copper producer. In 1980, when copper sold as high as $1.44 a pound, Phelps Dodge made $91 million. Today, with 65-cent copper, Phelps Dodge is solidly in the black, with perhaps as much as $60 million in profits for the year. Since 1981 the firm has closed facilities, bought new technology and taken a prolonged, bitter strike that resulted in decertification of its union. The price: losses of more than $400 million.

World copper inventories are down compared with two years ago—a good sign. Chairman George Munroe says every 1-cent rise in copper prices could add $10 million to his 1987 bottom line. Admittedly, "could" isn't "will." But at least Phelps Dodge is surviving nicely, poised to cash in.

James Kilkelly/Dot

Phelps Dodge Chairman George Munroe

buying? "Commitment to the business," says Asarco Chairman Richard de J. Osborne. "Our planning is for today's prices," he says, "but any price increase would have a dramatic effect on our bottom line."

Conditions in aluminum, compared with the recent past, are better. After a tumultuous period of smelter writeoffs, strikes and labor cost reductions, aluminum producers are back to making money, though not nearly enough to justify their huge investments. Disregarding writeoffs, industry returns still remain pallid—3% to 8% on equity.

So aluminum producers are branching out. To complement its Reynolds Wrap line, Reynolds recently bought Cut-Rite, the biggest-selling wax paper. Alcoa has just paid $330 million for TRE Corp., an aerospace manufacturer, which will move Alcoa into new metals. Alcan, meanwhile, is committed to expanding its chemical operations. The sole exception is Kaiser, which will continue selling off its diversified operations despite the $140 million cash infusion and restructuring announced in December.

In summary, our 1987 early line: Integrated steel, ugh. Specialty steel, good in spots. Copper, strong potential, looking for a turn. Aluminum, best pick in a slow field. ■

Metals

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Nonferrous metals													
Engelhard	73/27	1	15.0%	9.7%	21.8%	2.2%	6	–3.5%	1.4%	1	–9.1%	1.1%	average
Handy & Harman	41/40	2	10.4	def	96.1	def	7	–3.9	–3.9	2	–22.1	P–D	high
Alcoa	84/DP	3	4.5	def	37.4	def	4	1.6	–11.5		NM	P–D	NM
Alcan Aluminium	80/70	4	3.3	def	51.9	def	3	2.5	7.2		NM	D–D	NM
Newmont Mining	66/DD	5	3.3	3.6	15.9	6.6	8	–4.8	11.6		NM	90.9	NM
Reynolds Metals	•/DD	6	def	5.1	100.8	1.8	5	0.0	3.9		NM	D–P	NM
Revere Copper	•/•	7	def	def	147.5	def	12	–9.4	–12.8		NM	P–D	NM
Kaiser Alum & Chem	87/DD	8	def	def	117.8	def	9	–6.5	–8.6		NM	D–D	NM
Phelps Dodge	71/81	9	def	3.2	44.6	4.4	13	–10.2	–2.8		NM	D–P	NM
Asarco	86/83	10	def	def	49.5	def	10	–6.9	–2.6		NM	D–D	NM
Inco	•/•	11	def	def	72.6	def	14	–11.8	–2.8		NM	P–D	NM
AMAX	60/DP	12	def	def	112.7	def	11	–8.3	–32.7		NM	D–D	NM
Inspiration Resources	54/PD	13	def	def	85.2	def	2	5.6	0.3		NM	D–D	NM
Cyprus Minerals	25/DP		NA	def	18.9	def	1	7.9	31.7		NM	D–D	NM
Medians			def	def	62.3	def		–4.4	–2.7		NM	P–D	
Steel													
Worthington Inds	66/76	1	21.2%	19.6%	23.9%	5.6%	1	16.7%	8.9%	2	9.4%	11.5%	average
Nucor	•/•	2	15.7	16.5	9.7	7.6	2	8.8	4.8	3	5.9	3.4	very low
Texas Industries	45/53	3	12.8	5.5	172.6	2.0	6	4.9	55.0	6	–17.6	–50.4	high
Carpenter Technology	•/•	4	11.0	4.2	41.8	2.5	11	–1.3	–2.9	5	–12.4	–29.9	average
Central Steel & Wire	•/•	5	10.7	7.5	0.0	2.2	9	1.4	–4.2	4	2.6	–27.2	very low
Earle M Jorgensen	•/•	6	9.1	2.9	16.5	1.6	17	–5.8	–3.3	7	–19.8	–39.7	average
Interlake	•/84	7	8.6	8.4	43.4	3.9	14	–4.4	–5.8	1	15.5	–1.3	very low
Cyclops	•/•	8	5.6	9.8	24.6	1.5	4	7.5	4.5		NM	–10.3	NM
Timken	28/DD	9	3.6	def	20.8	def	15	–4.9	–3.0		NM	P–D	NM
Ampco-Pittsburgh	37/56	10	2.4	def	45.7	def	10	–0.7	0.3		NM	P–D	NM
USX	32/ 2	11	0.6	def	84.7	def	3	7.9	–12.7		NM	P–D	NM
Lukens	69/NM	12	def	2.6	55.3	0.7	8	1.6	–6.8		NM	–36.2	NM
National-Standard	•/•	13	def	2.2	28.9	0.7	13	–4.3	–0.1		NM	84.6	NM
Copperweld	85/ 0	14	def	def	61.4	def	19	–6.9	–31.3		NM	D–D	NM
Athlone Industries	72/79	15	def	def	585.2	def	15	–4.9	–14.0		NM	D–D	NM
Inland Steel Inds	•/•	16	def	def	75.2	def	12	–2.0	0.4		NM	D–D	NM
Northwestern Steel	•/•	17	def	2.0	10.1	0.8	22	–14.8	36.5		NM	D–P	NM
Armco	85/•	18	def	def	166.6	def	21	–9.8	–28.9		NM	D–D	NM
LTV	65/DD		def	def	2702.2	def	7	4.5	–5.6		NM	D–D	NM
Bethlehem Steel	88/DP	20	def	def	200.5	def	18	–6.5	–8.5		NM	D–D	NM
Wheeling-Pittsburgh	•/DD	21	def	def	3903.0	def	20	–7.0	–5.5		NM	D–D	NM
NVF	37/DD	22	def†	def	NE	def	5	6.9	–10.9		NM	D–D	NM
Medians			0.2	0.2	44.6	def		–1.7	–3.8		NM	P–D	
Industry medians			def	–2.5	50.7	def		–3.7	–3.0		NM	P–D	
All-industry medians			12.6	13.0	46.0	3.9		7.1	3.9		–0.9	2.8	

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For further explanation, see page 61.

NATURAL GAS

For years the natural gas industry has been ruled by Murphy's Law. Finally, it seems to be writing its own proverb: What goes down must come up.

By Lisa M. Keefe

FOR THE NATURAL GAS INDUSTRY 1986 was relentlessly bleak. Prices fell to unimaginable lows, legal headaches surfaced everywhere and Washington refused to make sense of an impossibly muddied regulatory environment. Ironically, for some of these same reasons, 1987 and beyond should look brighter.

Producers were especially hard hit as wellhead prices dropped by half, to $1.25 per thousand cubic feet, before recovering slightly toward year-end. Drilling slowed, with the result that producers wound up replacing less than 35% of what was consumed during the year. Yet the glut remained.

But the pendulum will swing back soon. Currently almost half of all natural gas sold in the U.S. changes hands on the spot market. Yet as utilities and other large consumers realize how quickly supplies are dwindling, long-term contracts of two years or more will almost inevitably regain popularity,

Natural gas

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Producers & pipeliners													
Mitchell Energy	59/47	1	18.6%	5.5%	159.9%	4.3%	11	1.4%	–14.2%	5	–18.8%	34.7%	high
Transco Energy	77/●	2	16.5	def	109.8	0.2	8	5.4	8.1	3	–1.5	P–D	very low
Sonat	81/DD	3	14.6	def	83.3	def	7	5.4	–16.0		NM	P–D	NM
Panhandle Eastern	86/74	4	14.1	def	117.3	def		2.1	–16.2	4	–12.4	P–D	average
Valero Energy	42/69	4	14.1	def	177.8	def	5	5.8	–22.0		NM	D–D	NM
Burlington Northern	45/25	6	12.7	def	81.2	def	1	18.2	–15.6	2	9.2	P–D	average
Coastal Corp	37/78	7	12.5	2.2	404.0	0.8	6	5.7	–0.4	1	30.1‡‡	–82.9	very high
Texas Eastern	76/●	8	12.1	def	94.1	def	4	6.2	–20.5	7	–22.8	P–D	average
Tenneco	23/27	9	11.2	def	115.8	0.3	10	1.7	0.0	8	–28.5	P–D	high
CSX	26/10	10	8.0	def	69.5	def	3	10.1	–11.5		NM	P–D	NM
Williams Cos	77/●	11	7.0	def	159.5	def	2	11.9	–20.2	6	–19.5	P–D	low
Medians			**12.7**	**def**	**115.8**	**def**		**5.7**	**–15.6**		**–19.5**	**P–D**	

●90% or more. **DD:** Segment deficit, total deficit. **PD:** Segment profit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NM: Not meaningful. †Four-year average. ‡Four-year growth. ‡‡Three-year growth. For further explanation, see page 61.

Most improved

Most natural gas firms were happy simply to have muddled through the year now ended, but only one was able to fend off an unfriendly raid, end a three-year dispute with the Algerian government and still have time to boost overall shareholder value by 15% for its investors: Panhandle Eastern Corp., under the leadership of Chief Executive Officer Robert D. Hunsucker. And, says he, "We were able to achieve our objective without injuring the capitalization of our company."

Panhandle Chief Executive Robert D. Hunsucker Charles Thatcher

A hostile takeover bid by Wagner & Brown in June roused Hunsucker to action. First step was to settle a long-festering dispute with the Algerians over a failed plan to import liquefied natural gas to the U.S. (FORBES, *Sept. 23, 1985*). Aftertax writeoffs in the settlement totaled $460.4 million, but with the company's existence no longer threatened by the disputed $14 billion contract, Hunsucker was able to look beyond immediate concerns to redeploying some of his assets. Thus, in September he spun off the company's successful Anadarko Petroleum exploration subsidiary to shareholders. Without Anadarko, Panhandle proved much less attractive to Wagner & Brown, which quietly dropped its bid. Meanwhile, the combined value of the two shares has climbed 15% from the prespinoff price of Panhandle alone.

Panhandle's financial results do not yet reflect the company's successes, but that will change. In 1987 Panhandle should be in a much better position to survive downturns and pick opportunities in a volatile market.

helping to boost prices and spur exploration. "This winter should be the turning point in the customers' perception," says Morgan Stanley analyst Thomas Hassen.

While declining prices hit hardest at producers, the law came down hardest on pipelines. Most pipeline companies entered 1986 burdened with so-called take-or-pay liabilities. These arose when the gas market softened in the early 1980s and the pipelines refused to accept delivery of gas they could no longer sell. The producers sued for breach of contract, and in case after case the producers have been winning.

With this gun to their heads, pipeline companies in 1986 proved increasingly amenable to settling out of court, asking in return that the Federal Energy Regulatory Commission allow them to pass on the settlement costs to their customers. So far Washington has failed to rule one way or the other, but if the requests are denied, earnings for some companies, notably Transco and Tenneco, could suffer badly.

Such regulatory dawdling, which has characterized the

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Distributors													
Equitable Resources	66/22	1	21.5%	15.2%	45.2%	13.3%	30	6.8%	–9.2%	7	12.8%	0.0%	average
Entex	64/PD	2	19.7	def	130.8	def	38	4.6	–19.1	29	3.5	P–D	very low
Iowa-Illinois G&E	51/13	3	16.4	13.6	76.7	10.2	13	9.1	–0.6	19	7.9	–8.6	high
Commonwealth Energy	36/29	4	16.4	15.7	49.1	6.8	31	6.4	–5.1	4	15.1	1.2	average
Wisconsin P&L	25/ 9	5	16.4	14.6	81.3	9.8	22	7.9	3.1	14	10.3	–5.4	very high
Kansas Power & Light	64/24	6	16.4	16.3	73.3	7.7	1	35.8	–9.7	13	10.6	12.5	very high
Peoples Energy	•/•	7	16.4	17.4	63.8	5.2	33	6.3	–8.8	9	11.1	–3.0	average
No States Power	22/ 7	8	16.3	16.0	83.3	11.5	11	9.7	3.4	6	13.3	13.3	very high
Diversified Energies	84/•	9	16.2†	def	85.9	def	6	11.4‡	–2.4	34	–4.7‡	P–D	very low
Brooklyn Union Gas	•/•	10	15.8	10.1	72.6	4.4	8	11.0	–2.1	25	6.0	–31.9	very high

• 90% or more. **DD:** Segment deficit, total deficit. **PD:** Segment profit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NM: Not meaningful. †Four-year average. ‡Four-year growth. ‡‡Three-year growth. For further explanation, see page 61.

agency for many years, should disappear in the year ahead as the Federal Energy Regulatory Commission's new chairman, Martha Hesse *(see p. 283)*, settles into her job. Chosen by Ronald Reagan as a dedicated free-market advocate, she is expected to act forcibly to lift regulatory and administrative restraints on the industry wherever possible.

One key development to watch for: where Hesse's commission will stand regarding companies' alleged anticompetitive behavior. The commission is addressing possible violations in the marketing of gas; other antitrust cases regarding transportation have been filed in various courts. Both pipelines and distributors are vulnerable since they are by necessity regulated monopolies. One case, *The State of Illinois* v. *Panhandle Eastern Pipe Line Corp.*, is likely to prove a bellwether: The issue being debated is whether federal regulations can be cited as a defense for monopolistic practices. ■

Natural gas

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Wisconsin Electric	23/ 9	11	15.8%	15.6%	66.6%	11.7%	25	7.5%	0.1%	5	14.7%	9.1%	very high
Illinois Power	34/11	12	15.5	16.0	91.2	24.2	29	7.1	–0.6	22	6.6	12.6	average
Wisconsin Public Svc	36/ 9	13	15.4	14.4	59.1	8.8	21	8.3	–5.0	12	10.6	0.0	very high
Laclede Gas	●/●	14	15.4	18.9	60.9	5.4	10	9.9	–11.1	3	16.4	14.0	high
Rochester G&E	36/15	15	15.2	13.6	92.6	13.4	20	8.3	–0.7	8	11.6	–15.0	very high
Niagara Mohawk Power	22/ 9	16	15.1	14.0	81.9	15.1	17	8.8	–0.9	18	8.3	3.4	high
Pacific G&E	40/22	17	14.5	14.7	84.2	13.6	14	9.1	–6.1	15	9.2	–2.2	high
Baltimore G&E	25/ 9	18	14.4	16.2	75.2	15.1	27	7.2	4.1	11	10.7	18.1	very high
Montana Power	23/20	18	14.4	18.2	74.7	19.7	37	4.7	15.3	30	1.2	111.0	very low
Public Service NM	44/11	20	14.3	12.8	74.9	21.9	2	17.7	3.0	33	–2.6	8.9	low
Scana	28/10	21	14.0	14.6	91.7	10.7	4	12.6	–2.4	21	6.9	3.9	high
Orange & Rockland	26/12	22	13.9	14.0	70.1	8.4	26	7.4	–5.3	27	5.0	8.5	very high
Cincinnati G&E	36/ 4	23	13.7	19.2	103.6	13.1	18	8.4	0.5	23	6.4	24.5	average
Southwest Gas	●/●	24	13.5	12.6	114.5	4.4	9	9.9	–19.4	2	17.4	–27.0	very high
CILCorp	40/19	25	13.5	15.1	100.7	8.9	34	5.6	3.0	23	6.4	30.4	high
Central Ill Pub Svc	24/ 4	26	13.4	13.1	78.5	12.4	19	8.4	–8.7	26	5.2	17.6	average
Washington Gas Light	■/●	27	13.1	12.3	61.7	5.1	7	11.3	–2.2	16	9.0	–6.4	high
Public Svc Enterprise	31/13	28	12.9	14.7	84.8	12.2	23	7.5	4.8	20	7.2	7.4	high
Louisville G&E	32/ 0	29	12.7	12.7	84.9	10.8	12	9.5	–1.6	28	4.9	–6.7	low
Public Service Colo	40/19	30	12.5	8.8	90.4	5.6	15	8.8	–3.0	31	0.9	–31.5	very low
DPL	29/21	31	12.1	9.0	133.4	6.8	16	8.8	–2.3	35	–9.4	–33.8	low
Wicor	76/72	32	11.7	11.9	75.4	3.0	3	14.0	–4.8	10	10.8	5.3	average
Atlanta Gas Light	●/●	33	10.5	10.5	97.5	2.9	5	11.6	–13.4	17	9.0	–8.5	low
Primark	●/●	34	9.7	12.2	68.9	3.1	32	6.4	–8.1	1	34.2	3.1	very high
No Indiana Pub Svc	49/14	35	8.5	def	112.9	def	24	7.5	–7.8	32	–0.8	P–D	very low
Eastern Gas & Fuel	44/77	36	6.4	11.3	76.2	4.2	36	4.9	–6.5		NM	D–P	NM
Southern Union	80/69	37	5.7	def	59.7	def	40	–17.3	–45.2		NM	D–D	NM
Consumers Power	46/27	38	4.3	def	112.9	def	28	7.1	–2.9		NM	D–D	NM
UGI	51/PD	39	3.8	def	52.7	def	35	5.4	–14.6		NM	P–D	NM
Nicor	●/NM	40	def	def	80.3	def	39	4.2	–17.9		NM	D–D	NM
Medians			**14.2**	**13.6**	**79.4**	**8.1**		**8.3**	**–3.0**		**7.1**	**1.2**	
Integrated													
Arkla	●/●	1	16.6%	10.4%	130.0%	5.7%	10	0.3%	–8.0%	6	–6.9%	22.2%	average
Consol Natural Gas	●/●	2	15.4	12.3	36.6	6.7	4	6.4	–16.5	3	12.4	–5.4	very high
Questar	●/●	3	15.2	10.7	48.3	8.0	2	11.0	–14.7	2	13.2	–10.4	high
Enron	●/●	4	14.7	2.6	156.5	0.9	1	27.3	–16.3	4	–2.5	–82.2	very low
National Fuel Gas	●/●	5	14.4	13.0	58.9	4.8	5	6.3	–6.7	1	13.4	–7.9	high
Oneok	●/●	6	14.0	8.4	92.0	4.7	7	3.4	–29.8	7	–8.1	–11.4	average
Pacific Lighting	59/71	7	13.2	6.0	72.2	1.9	3	9.6	7.3	5	–2.6	–39.6	very low
KN Energy	●/●	8	12.7	1.5	64.3	1.2	8	3.2	–21.4	8	–12.6	–86.8	average
Enserch	45/38	9	10.1	def	81.0	def	6	3.6	–13.4		NM	P–D	NM
Columbia Gas System	●/DD	10	8.5	4.8	113.8	2.3		1.9	–10.9		NM	D–P	NM
Medians			**14.2**	**7.2**	**76.6**	**3.5**		**5.0**	**–14.1**		**–4.8**	**–11.4**	
Industry medians			**14.0**	**11.3**	**81.9**	**4.8**		**7.5**	**–6.5**		**5.2**	**–8.5**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

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OIL

As it has so often in the past, the fate of the U.S. oil industry once again hangs on the ministers of 13 bickering petroleum exporting countries. Last year, disputes within the Organization of Petroleum Exporting Countries helped make the oil business a disaster for many of the companies on this list. Will this year be any better? Don't count on it.

By Toni Mack

IN A HARROWING YEAR for the oil industry, the only good news was that Saudi Arabia's King Fahd fired his oil minister—the one who flooded the world with Saudi oil and drove down prices to $8 per barrel last July—and called for an $18 oil price. Then the king said he wouldn't cut oil production to achieve that goal. Now he says he will. Is it any wonder OPEC is in disarray?

Since most oil companies can't find and produce new oil profitably at current levels, which hover around $16 per barrel, firms have almost stopped exploratory drilling in the U.S. The number of working U.S. rigs fell from 1,915 a year ago to 663 last July, the fewest since 1940, when such records began to be kept.

The rig count has recovered somewhat in the last few months, but Hughes Tool Co. Vice President Isaac Kerridge sees the number rising to an average of no more than about 850 in the year ahead. That almost guarantees an eventual supply squeeze, and consequent domestic shortages, when the world oil market tightens. "It's going to come as a shock when the oil crisis replays itself," says Thomas Cruikshank, chief executive of Halliburton Co., an oil services company. "But it's going to happen."

Refining and marketing profits are dropping, too. Last year refined product prices fell more slowly than did crude oil prices, yielding operating profit margins as high as $3.87 a barrel, vs. an average $1.08 during 1985. Yet for all that, there's still too much refining capacity to keep margins high. That in turn means one thing: In 1987 refining and marketing profits have nowhere to go but down.

Though producing companies can live off their reserves at least for a time, oil service companies have no such luxury. Result? In the first nine months of 1985, the top 13 service

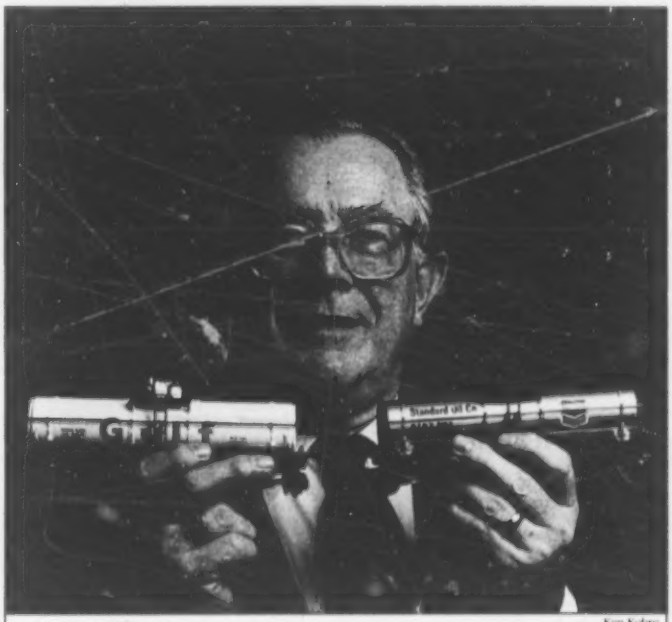
Oil

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
International oils													
Exxon	88/•	1	18.2%	19.6%	14.1%	7.5%	8	–4.1%	–12.8%	2	0.9%	33.6%	very low
Amoco	89/•	2	17.7	8.4	30.0	4.7	5	–0.5	–21.8	1	3.3	–50.6	average
Chevron	•/•	3	13.1	9.0	47.9	4.9	4	–0.2	–28.3	5	–9.2	1.5	average
Phillips Petroleum	84/•	4	13.1	14.6	327.2	2.8	3	1.8	–28.1	4	–7.2	6.0	average
Occidental Petroleum	43/84	5	11.9	2.6	153.3	1.2	2	2.8	1.3	8	–23.3	–79.0	average
El du Pont	45/63	6	11.3	12.7	24.9	5.7	1	14.7	–18.1	3	0.2	72.3	very low
Mobil	82/•	7	11.0	11.6	63.1	3.3	6	–2.3	–11.1	6	–16.9	81.4	high
Texaco	•/•	8	9.6	7.2	51.6	2.7	7	–3.5	–30.8	7	–22.4	178.2	average
Medians			**12.5**	**10.3**	**49.8**	**4.0**		**–0.4**	**–20.0**		**–8.2**	**19.8**	

• 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 61.

Most improved



George Keller of Chevron Corp. Ken Kobre

An improving company in an industry that's falling apart? Try Chevron Corp. While firms like Exxon helped lift their share prices by buying back stock, Chevron saw its share value rise by 28% during 1986, to $48 recently, as a result of plain old hard-nosed business management. The challenge: how to get out from under the crushing burden of Chevron's $13.3 billion acquisition of Gulf Oil in 1984, a deal that looked good at the time but threatened to become a nightmare as the bottom dropped out of the oil market. The fact that Chevron, under Chairman and Chief Executive Officer George Keller, was nonetheless able to give shareholders a modest but still respectable 9% return on equity easily merits the firm's designation as the most improved in its industry in 1986.

Like just about every oil company, Chevron has, of course, suffered from collapsing petroleum prices. During 1986 the company cut its work force by 15%, to 52,000 employees, closed two refineries, wrote down $363 million in marginal assets, chopped capital spending by 30% and scaled back sharply its exploratory drilling.

But Keller's real achievement began a year earlier when he began rapidly disposing of assets acquired in the Gulf takeover. Out the door went Chevron's 60% interest in Gulf-Canada to Montreal's Bronfman family for $2.1 billion pretax. Other smaller sales followed in close order until Keller had raised enough cash to reduce debt from a bloated $15.5 billion just after the purchase to about $8.5 billion currently. "We were fortunate," he says. "We sold nothing at a distress price." Will Chevron be able to continue improving in 1987? Maybe, but further efficiencies can't do it all. With its payroll already shrunk considerably, the best bet for strengthening earnings in 1987 probably lies in firming oil prices—and that is out of Keller's hands entirely. Chevron's 4.9% net profit margin is well above the international oil companies' average of 4%.

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Other oil and gas													
Standard Oil	81/●	1	23.5%	def	56.6%	def	18	0.8%	–15.4%	17	–24.0%	P–D	average
Holly Corp	●/●	2	21.0	34.1%	117.8	4.3%	26	–1.0	–14.5	1	30.2	80.6%	average
Mitchell Energy	31/47	3	18.6	5.5	159.9	4.3	15	1.4	–14.2	16	–18.8	34.7	high
Southland	30/24	4	16.7	14.8	38.2	2.4	1	22.9	–22.7	3	13.2	4.5	very high
Freeport-McMoRan	27/25	5	15.7	2.7	89.2	2.9	12	2.4	–15.4	10	–9.8	–83.8	average
Murphy Oil	●/●	6	15.3	3.0	23.1	1.9	25	0.3	–27.5	11	–12.4	–62.8	high
Unocal	87/86	7	15.2	2.0	324.4	def	17	1.0	–22.3	8	–8.0	–93.1	average
Witco	54/46	8	15.1	15.4	29.3	4.6	10	4.5	–6.5	4	9.3	10.8	average
Mapco	78/55	9	14.7	20.6	82.2	5.8	20	0.6	–10.4	7	–3.0	–3.9	very low
Pennzoil	86/68	10	14.2	def	165.5	def	30	–2.5	–15.3	15	–18.2	P–D	very high

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 61.

companies lost a total of $125 million after writedowns; in the same period of 1986, they lost $2.4 billion.

The waves of red ink have brought on round after round of consolidations and more writedowns. Witness, for instance, the merger of Hughes Tool and Baker International, or the action by Halliburton to get out of such worrisome businesses as building offshore platforms in the U.S. and Far East. Halliburton has cut its staff by 25% from 1985 levels and paid long-term debt down to a mere 10% of total capitalization.

"We're not threatened with extinction," Halliburton's Cruikshank says, "but some of the traditional companies, those with heavy debt burdens, may be missing from the scene by the time business picks up." In fact, the same grim prediction could turn out to come true for some of the weaker oil companies if the currently depressed market lasts for more than the next year or so. ■

Oil

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Valero Energy	56/30	11	14.1%	def	177.8%	def	7	5.8%	–22.0%		NM	D–D	NM
Sun Company	88/•	12	13.4	13.8%	32.3	6.4%	21	0.5	–16.5	9	–8.8%	202.3%	low
Quaker State Oil	78/79	13	12.7	15.9	34.5	5.5	13	2.3	–2.5	5	2.9	66.4	very low
Coastal Corp	54/17	14	12.5	2.2	404.0	0.8	8	5.7	–0.4	2	30.1‡‡	–82.9	very high
Atlantic Richfield	82/•	15	12.0	12.3	143.1	4.3	31	–2.7	–27.6		NM	D–P	NM
Louisiana Land	•/•	16	11.6	def	58.4	def	16	1.4	–23.8	19	–30.8	P–D	high
Tenneco	27/48	17	11.2	def	115.8	0.3	14	1.7	0.0	18	–28.5	P–D	high
Getty Petroleum	•/•	18	11.0	36.6	152.4	1.6	2	22.1	77.1		NM	500.0+	NM
Union Pacific	48/24	19	10.8	def	52.9	def	4	10.1	–8.7	6	–2.7	P–D	very low
Pacific Resources	•/•	20	10.0	17.6	50.7	3.1	3	12.0	–34.9		NM	65.6	NM
Kerr-McGee	75/63	21	9.6	def	39.2	def	27	–1.5	–14.8	14	–14.9	P–D	average
Cabot	49/56	22	9.6	13.1	85.5	5.6	19	0.7	–6.9		NM	D–P	NM
American Petrofina	83/DD	23	8.1	def	81.5	def	24	0.4	–5.9		NM	P–D	NM
Penn Central	24/54	24	7.9	5.7	10.6	4.2	23	0.4	–5.1		NM	–16.1	NM
National Distillers	29/39	25	7.6	7.6	48.8	3.8	9	4.8	6.1	12	–12.4	59.9	average
DeKalb	19/DD	26	6.6	def	49.7	def	22	0.5	–25.9	13	–12.6	P–D	average
Tesoro Petroleum	•/DD	27	5.7	def	44.7	def	32	–5.4	–35.8		NM	D–D	NM
Ashland Oil	61/60	28	4.3	18.5	81.8	3.0	29	–1.7	–11.4		NM	49.3	NM
Amerada Hess	•/DD	29	4.1	def	71.0	def	28	–1.5	–33.9		NM	F–D	NM
Crown Central Pet	80/87	30	1.2	def	57.3	def	11	2.6	–14.8		NM	P–D	NM
USX	52/•	31	0.6	def	84.7	def	5	7.9	–12.7		NM	P–D	NM
Diamond Shamrock	76/DD	32	0.2	def	90.7	def	6	7.1	–26.8		NM	D–D	NM
National Intergroup	NA/NA	33	def	def	70.0	def	33	–10.7	312.1		NM	D–D	NM
Tosco	•/•	34	def††	def	NE	def	34	–11.8	–42.0		NM	D–D	NM
Charter	•/•	35	def†	def	NE	def	35	–16.2	–54.8		NM	D–D	NM
Medians			**11.0**	**2.0**	**70.0**	**0.3**		**0.8**	**–14.8**		**–28.5**	**P–D**	
Oilfield services													
Schlumberger	64/•	1	23.3%	def	11.7%	def	5	3.3%	–10.7%	1	–15.4%	P–D	low
Baker International	75/85	2	13.4	def	52.8	def	6	0.6	–18.2		NM	P–D	NM
Halliburton	72/70	3	12.1	def	11.1	def	14	–9.7	–21.1	3	–37.2	P–D	high
LB Foster	51/DP	4	11.5	def	510.9	def	12	–6.9	37.0		NM	P–D	NM
Zapata	59/PD	5	10.8	def	190.8	def	16	–11.9	–34.2		NM	P–D	NM
McDermott Intl	27/DD	6	7.4	18.3%	63.3	6.6%	10	–5.3	1.0	2	–19.5	D–P	low
NL Industries	60/DP	7	5.7	def	56.6	def	15	–11.4	–42.4		NM	D–D	NM
Cameron Iron Works	74/48	8	5.1	def	48.6	def	13	–8.7	4.5		NM	P–D	NM
Dresser Industries	31/DD	9	4.7	def	23.0	def	8	–2.0	–5.1		NM	P–D	NM
Hughes Tool	•/•	10	4.3	def	75.2	def	9	–3.4	–29.7		NM	P–D	NM
UGI	20/DD	11	3.8	def	52.7	def	4	5.4	–14.6		NM	P–D	NM
Western Co No Amer	•/DD	12	3.3	def	285.7	def	7	–1.1	–46.9		NM	D–D	NM
Global Marine	•/DD	13	def	def	1651.6	def	3	9.4	–36.7		NM	D–D	NM
Gearhart Industries	•/•	14	def	def	128.9	def	1	20.6	–21.9		NM	P–D	NM
Smith International	•/DD	15	def	def	220.6	def	11	–6.7	–30.7		NM	D–D	NM
Masco Industries	22/2		NA	13.5	417.1	1.9	2	9.9	9.9		NA	–42.7%	NA
Medians			**5.1**	**def**	**69.3**	**def**		**–2.7**	**–19.7**		**NM**	**P–D**	
Industry medians			**10.9**	**–0.8**	**63.1**	**def**		**0.5**	**–15.4**		**–34.0**	**P–D**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

• 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 61.

PACKAGING

Metal and plastic continued their onslaught, but don't count out glass just yet. There's plenty of money to be made as the curtain slowly falls.

By Stuart Flack

WITH PLASTIC AND METAL containers and packages everywhere, the glass bottle seems a relic of another age, and in a sense it is. But even though glass will continue to lose market share, that isn't necessarily fatal. Companies are putting more emphasis than ever on boosting efficiency and shutting down excess capacity. That, in turn, spells good news for investors in glass stocks. On balance, the margins of such firms are likely to remain healthy, and the odds are good that glass stocks will continue to be good buys in the packaging sector.

Glass container shipments have been steadily falling by about 3.5% annually since 1980, and 1986 was the year that the industry finally and fully adapted itself to that trend. By scrapping 11 plants in the last two years, the industry cut costs sharply and wound up operating 90% of the capacity that survived. Meanwhile, glassmakers signed a new labor contract that locks in yearly wage increases of only around 2% through 1990.

Most improved

Nobody has capitalized on the recent trends in the packaging business better than Brockway Inc. Cutting capacity, paring costs and diversifying into markets in plastics and cans have made Brockway the most improved company in the industry for 1986.

Back in 1979 Brockway's chairman and chief executive officer, John A. Winfield, started streamlining his core business. Since then, he has closed three glass manufacturing plants, cutting capacity by 14%. He has modernized his remaining factories, boosting productivity at an annual rate of 5% since 1980.

Brockway's 13.1% return on equity stands well above its five-year average of 5.1% and right at the industry median. The company's earnings are up 72% from 1985 and should continue to rise. Winfield will look for further acquisitions in cans and plastics in 1987.

"In 1979 we realized that glass was on the decline, and if we wanted growth, we'd have to look elsewhere," says Winfield. From near-total dependence on glass in 1980, Brockway today derives only 64% of its revenues from glass, with 17% coming from plastics, 14% from cans and 5% from a sideline investment in a commuter airline. Winfield plans to keep it up until glass reaches around 50% of total sales.

But, he counsels, "Never lose faith in the glass container." After all, who in his right mind would want to break open a can of Scotch?

Red Morgan

John Winfield of Brockway

It should come as no surprise, then, that return on shareholder equity at Owens-Illinois and Brockway (the nation's number one and two glass container producers) was well above their five-year averages. Ball Corp.'s increase in profitability this year also came mainly from glass.

As glass demand dwindles, plastics continue to find new markets. Demand in this fastest-growing sector of the packaging industry was solid in 1986, and production costs stayed low. Dorsey Corp., a onetime glassmaker now completely diversified into plastics, exceeded its five-year average return on equity even though its much vaunted Petainer (a plastic beverage can) fell flat in a test market with Coke this year. So much for the death of the aluminum can.

Shipments of cans increased around 4%, taking market share from glass in the beer segment for the fourth year in a row. July's increase in the price of aluminum was offset by a drop in December, which should keep cans competitive.

In the food can market Heinz, Campbell Soup, Del Monte and RJR Nabisco continued filling more and more of their can needs by going to outside suppliers. But there may be trouble brewing in this once-steady segment, which accounts for around 27% of all can shipments. "Frozen foods are gaining popularity," says Merrill Lynch analyst Richard Palm. "The single-serving food containers that consumers want today have to be made of plastic. You can't put a can in the microwave."

There was plenty of maneuvering for position this year between glass and plastics, but the big maneuver was Triangle Industries' $570 million acquisition of American Can's packaging business. This makes Triangle the largest packaging company in the U.S., with domestic sales of around $2.5 billion in cans, $500 million in plastics and $350 million in glass. Triangle is now a powerful, though highly leveraged, presence. ■

Packaging

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Jefferson Smurfit	61/NA	1	25.6%	17.6%	186.8%	2.4%	6	13.4%	41.3%	8	7.5%	8.0%	low
James River Corp Va	NA/NA	2	21.7	13.2	84.5	3.8	1	51.3	22.0	2	22.4	–13.6	high
Fort Howard Paper	NA/NA	3	21.6	14.7	29.7	10.9	2	31.8	8.4	5	13.2	1.7	very high
Tyco Laboratories	35/36	4	19.4	21.1	81.7	4.3	4	17.1	40.4	11	2.8	31.2	very low
Sonoco Products	78/58	5	17.2	17.8	17.2	5.6	7	12.3	13.7	7	8.0	9.6	average
Avery International	•/•	6	17.1	15.2	38.6	4.6	9	9.7	15.2	3	14.1	–2.4	very high
Ball Corp	74/78	7	17.0	17.6	24.0	5.4	11	9.3	–0.9	4	13.5	15.0	very high
Pittway	29/31	8	15.5	11.8	7.3	5.3	8	10.5	10.2	10	3.8	3.7	low
Federal Paper Board	37/39	9	12.6	9.1	145.7	2.8	10	9.6	25.2	16	–15.9	41.8	very low
Union Camp	32/11	10	12.5	8.2	50.9	5.5	17	4.3	4.7	14	–6.9	–5.2	low
Dennison Mfg	54/48	11	12.5	5.7	53.5	1.8	13	6.2	4.1	15	–15.5	–54.6	very low
Triangle Industries	88/•	12	11.9	65.6	382.3	2.2	3	26.7	88.3		NM	16.9	NM
Bemis	66/57	13	11.4	12.7	48.9	3.0	18	3.3	7.2	6	9.4	12.4	average
Crown Cork & Seal	•/•	14	11.2	14.4	6.0	4.9	20	0.2	11.3	9	5.1	16.6	low
Dorsey	68/66	15	8.7	13.8	30.6	2.2	19	2.0	–1.0		NM	27.2	NM
Owens-Illinois	83/83	16	8.2	11.9	28.5	5.1	23	–2.0	–0.9	12	1.3	19.5	very low
Longview Fibre	55/20	17	7.8	13.2	67.4	6.1	14	5.6	0.7	1	68.6	73.7	high
Mead	32/12	18	7.2	8.6	46.5	3.0	21	–0.7	7.2		NM	–14.6	NM
International Paper	46/ 5	19	7.0	6.1	32.9	4.6	22	–1.8	4.3	18	–24.1	D–P	average
Boise Cascade	32/22	20	5.2	5.8	75.0	2.4	15	5.4	–1.0	13	–5.8	57.9	low
Brockway Inc (NY)	•/•	21	5.1	13.1	36.9	2.8	12	7.7	4.3	17	–19.7	72.1	low
Anchor Hocking	24/37	22	1.1	def	44.5	def	24	–5.6	2.5		NM	D–D	NM
Kerr Glass Mfg	•/•	23	def	def	30.9	0.1	25	–12.4	0.4		NM	D–D	NM
Anchor Glass	•/•		NA	201.7	181.6	3.5	5	16.2‡	NA		NA	NA	NA
Temple-Inland	55/52		NA	8.6	27.6	6.1	16	4.5	–1.2		NA	–16.6	NA
Industry medians			**11.9**	**13.1**	**44.5**	**3.8**		**6.2**	**6.0**		**1.3**	**9.6**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

• 90% or more. D–D: Deficit to deficit. D–P: Deficit to profit. def: Deficit. NA: Not available. NM: Not meaningful. ‡Four-year growth. For further explanation, see page 61.

PAPER

Foreign suppliers were held in check, and widening margins caused stock prices to shoot upward. But how much longer can the party go on?

By Kathleen K. Wiegner

THE STOCKS IN THIS INDUSTRY handily outperformed the market in 1986, but not primarily because of improving sales or new market conquests. As with so many other companies in business these days, earnings gains in the paper industry came largely from cutting costs, scrapping unprofitable product lines and intensifying efforts in markets where a dominant position was already established. The falling dollar also helped. While earnings fell short of past records, together these factors sharply lifted earnings for most paper producers over depressed 1985 levels. Stock averages were up 30%, as against the Standard & Poor's 500 average, which rose by only 18% during the year.

After the price collapse of 1985, triggered in part by foreign competition, prices in 1986 recovered while wood and energy costs declined. One exception: certain coated stocks, demand for which continued weak. Magazines and catalogs are big users of these papers. When their business was booming in the late 1970s and early 1980s, many suppliers added new capacity—too much, it turned out. Now magazine advertising is off, and weaker mail-order sales have translated into fewer catalogs. The result has been bad news for companies like Consolidated Papers, Inc., a leading producer of coated papers, whose earnings declined an estimated 12%.

By and large most companies found it cheaper to acquire an existing business than to build a new mill. The paper makers, in short, like so many other suppliers of manufacturing and construction equipment, are trying to adjust to an economy that no longer promises much growth in demand for their products.

Thus, in November, International Paper Co. completed its $1.1 billion acquisition of Hammermill Paper Co., making International the largest producer of uncoated free sheet in the U.S. In June Fort Howard Paper Co., already one of the largest U.S. makers of paper products for food and drink service, completed its acquisition of Lily-Tulip, Inc., another leading producer of paper plates and cups. James River Co.

Paper

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Jefferson Smurfit	38/NA	1	25.6%	17.6%	186.8%	2.4%	5	13.4%	41.3%	7	7.5%	8.0%	low
James River Corp Va	NA/NA	2	21.7	13.2	84.5	3.8	1	51.3	22.0	2	22.4	–13.6	high
Fort Howard Paper	NA/NA	3	21.6	14.7	29.7	10.9	2	31.8	8.4	4	13.2	1.7	very high
Consolidated Papers	•/•	4	18.8	19.3	1.0	14.4	11	7.4	–8.4	3	14.7	–8.8	average
Bowater	•/•	5	18.5	10.9	105.5	5.6	20	3.6	–0.1	12	–4.0	–40.1	very low
Pentair	68/57	6	17.8	10.0	117.3	2.4	4	23.9	2.1	6	8.5	–37.6	average
Media General	28/31	7	15.7	11.2	64.1	5.6	6	12.6	8.5	10	4.8	1.9	average
Kimberly-Clark	20/30	8	15.1	14.8	27.1	6.1	9	9.0	7.6	9	6.1	–3.1	average
Federal Paper Board	52/54	9	12.6	9.1	145.7	2.8	7	9.6	25.2	19	–15.9	41.8	very low
Union Camp	49/80	10	12.5	8.2	50.9	5.5	17	4.3	4.7	15	–6.9	–5.2	low
Westvaco	87/•	11	11.9	10.7	47.7	6.0	19	4.1	5.2	11	1.9	2.7	very low
Gt Northern Nekoosa	•/•	12	10.4	5.8	36.6	3.0	12	7.4	3.4	18	–10.0	–4.3	low

• 90% or more. **DP:** Segment deficit, total profit. D–D: Deficit to deficit. D–P: Deficit to profit. def: Deficit. NA: Not available. NM: Not meaningful. For further explanation, see page 61.

picked up most of Crown Zellerbach's paper operations, then sold the distribution part of the business to Mead Corp. Connecticut-based Champion International Corp. sold its packaging operations to Stone Container, making that firm a leader in the manufacture of unbleached containerboard and several other product lines.

What about this year? Though currently held at bay by a weaker dollar, foreign competition is hardly likely to go away. In addition to traditional rivals from Canada and Europe, U.S. firms now also contend with competition from Brazil and a number of Third World countries; they have become tough rivals as a result of their abundant sources of low-cost wood pulp.

Adding capacity right now may not be wise for U.S. producers. But they need to keep mindful of the capacity building up outside the U.S. lest a surprise increase in demand bring in a foreign invasion of such magnitude as to turn the paper market into the latest version of Silicon Valley at the hands of Japan. ■

Most improved

When T. Marshall Hahn Jr.was named chief executive of Georgia-Pacific after a management shakeup in 1982, the company's balance sheet had 83 cents of debt for every $1 of equity, a heavier such burden than any other major paper company. Worse, return to shareholders on that equity was 2%, one of the lowest paybacks to investors of any top competitor. Today Georgia-Pacific boasts a more manageable 49% debt-to-equity ratio, earnings are rising and—at a recent $38—the stock stands close to its ten-year high. For that dramatic turnaround, Georgia-Pacific stands out as the paper industry's most improved company for 1986. How did Hahn, a former president of Virginia Polytechnic Institute & State University, orchestrate the recovery? In brief, by restructuring his company sooner, more rapidly and more effectively than his competitors. Specifically, Hahn sold off operations in chemicals and energy businesses, both markets in which Georgia-Pacific had expanded during the inflationary 1970s, and used the proceeds to pay down debt and increase Georgia-Pacific's paper business. Says Hahn: "We identified the fact that commodity chemicals were not related to our core business and that the world situation had changed." Over 30% of the company's sales came from pulp and paper in 1986, up 25% from a decade ago.

Thomas England

T. Marshall Hahn Jr.

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Scott Paper	27/41	13	10.3	14.9	111.3	5.6	10	7.8	10.3	8	7.0	15.1	low
Willamette Inds	65/84	14	8.8	13.1	44.8	5.4	16	5.0	–1.9	5	12.2	–8.3	very low
Stone Container	NA/NA	15	8.5	2.3	183.3	0.6	3	31.7	47.1		NM	–37.5	NM
Longview Fibre	33/47	16	7.8	13.2	67.4	6.1	14	5.6	0.7	1	68.6	73.7	high
Mead	66/89	17	7.2	8.6	46.5	3.0	23	–0.7	7.2		NM	–14.6	NM
International Paper	33/44	18	7.0	6.1	32.9	4.6	24	–1.8	4.3	20	–24.1	D–P	average
Potlatch	69/NA	19	6.4	10.5	62.8	5.6	21	3.5	0.2	13	–4.4	51.0	very low
Weyerhaeuser	27/29	20	6.0	7.2	53.1	4.5	17	4.3	1.2	17	–8.2	56.2	low
Georgia-Pacific	32/ 6	21	5.3	10.3	49.2	3.5	13	6.7	2.0	16	–7.5	500.0+	low
Boise Cascade	41/62	22	5.2	5.8	75.0	2.4	15	5.4	–1.0	14	–5.8	57.9	low
Champion Intl	49/78	23	3.3	6.7	82.3	3.9	8	9.0	–27.8		NM	D–P	NM
Southwest Forest Inds	53/DP	24	def	def	114.7	def	22	–0.5	–12.5		NM	D–D	NM
Industry medians			**10.4**	**10.4**	**63.5**	**4.6**		**7.1**	**3.9**		**–4.2**	**–0.7**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

● 90% or more. **DP:** Segment deficit, total profit. D-D: Deficit to deficit. D-P: Deficit to profit. def: Deficit. NA: Not available. NM: Not meaningful. For further explanation, see page 61.

RETAILING

Retail sales were up in 1986, but the bargains were found on Wall Street, not on the shelves.

By Jeffrey A. Trachtenberg

RETAIL INSIDERS DIDN'T PICK UP that extra pair of $40 Calvin Klein jeans last year; they bought stocks. In 1986 many major department store chains in the country either came under attack in a hostile takeover attempt, were merged into another company or went private in a leveraged buyout. Players in the game included the Campeau Corp., which paid $3.7 billion for Allied Stores Corp.; top management at R.H. Macy & Co., which took the company private in a $3.7 billion leveraged buyout; May Department Stores, which paid $2.5 billion for Associated Dry Goods; Woodward & Lothrop, which has agreed to buy the John Wanamaker division of Carter Hawley Hale for a reported $180 million; and Peoples Jewellers and Swarovski International Holding A.G., which are paying $550 million for the Zale Corp. Most recently, Carter Hawley has decided to split itself in half, as a result of a $2 billion takeover bid.

Why the buying and selling? Management at Macy's, its stock depressed partly because of debt from a rapid expansion program, feared a takeover and acted first. Associated Dry Goods was poorly managed. The May Co., a top performer, believed it could improve Associated's profitability, especially at Associated's ailing Caldor division. Allied was well managed, but the Campeau Corp. decided its real estate holdings were undervalued on the balance sheet.

Retailing

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Apparel													
Limited	•/•	1	44.7%	47.1%	48.6%	6.7%	1	50.9%	45.0%	1	54.5%	55.9%	very high
Melville	33/33	2	23.8	20.9	5.6	4.5	5	16.0	10.6	5	11.6	16.4	very high
Gap	•/•	3	20.3	31.5	8.0	6.3	7	10.9	31.6	6	10.8	325.0	average
Petrie Stores	•/•	4	20.2	17.1	98.9	6.6	4	19.7	4.8	7	8.2	23.4	average
US Shoe	56/51	5	18.8	8.8	30.9	2.2	6	15.2	6.8	8	4.2	–31.7	low
Nordstrom	•/•	6	18.3	18.0	53.2	4.0	2	25.5	31.8	3	16.4	23.6	very high
Zayre	28/39	7	17.2	13.9	62.9	1.7	3	20.4	38.2	2	30.1	–15.4	very high
Edison Bros Stores	34/55	8	16.6	12.9	30.6	3.2	11	3.7	10.2	10	–6.8	59.3	low
Hartmarx	57/26	9	13.9	8.1	22.4	2.6	8	10.3	–3.0	4	14.9	–36.5	very high
Manhattan Industries	35/28	10	8.6	1.2	36.6	0.2	9	9.2	–21.7		NM	D–P	NM
Carter Hawley Hale	27/43	11	8.2	7.6	103.3	1.5	10	9.0	2.2	9	–6.1	4.0	very low
Medians			**18.3**	**13.9**	**36.6**	**3.2**		**15.2**	**10.2**		**10.8**	**19.9**	
Catalog showrooms													
Service Merchandise	•/•	1	16.4%	def	280.8%	def	1	22.1%	13.4%	1	–8.2%	P–D	very low
Gordon Jewelry	24/DP	2	10.0	5.5%	17.3	2.7%	3	1.8	–2.5	2	–14.3	72.2%	average
Best Products	•/•	3	7.7	def	99.8	def	2	20.1	–1.8	3	–40.8	P–D	high
Medians			**10.0**	**def**	**99.8**	**def**		**20.1**	**–1.8**		**–14.3**	**P–D**	
Department stores													
Dillard Dept Stores	•/•	1	21.3%	18.4%	43.4%	4.1%	1	27.9%	15.6%	1	43.2%	130.3%	very high
Lucky Stores	25/10	2	17.7	9.4	69.7	0.9	10	7.9	–24.9	11	–0.9	–44.1	very low
Mercantile Stores	•/•	3	17.1	15.9	29.4	5.5	6	11.0	8.8	3	17.8	21.2	very high
May Dept Stores	NA/NA	4	15.2†	14.5	48.2	3.6	5	12.4‡	7.1	5	15.5‡	7.0	very high
Strawbridge	•/•	5	13.9	14.5	105.6	3.1	4	12.6	8.6	2	22.8	–11.6	very high
Federated Dept Stores	66/87	6	13.4	10.5	26.2	2.8	8	10.1	2.8	10	3.5	–15.0	low
Allied Stores	•/•	7	13.4	12.4	47.0	3.5	3	12.7	5.9	6	13.9	–9.9	very high
JC Penney	•/NA	8	12.9	11.9	70.9	3.4	11	4.0	7.0	8	7.9	24.2	average
Sears, Roebuck	64/52	9	12.0	11.6	82.2	3.1	7	11.0	8.4	4	16.5	7.9	high
Mobil	10/1	10	11.0	11.6	63.1	3.3	14	–2.3	–11.1	14	–16.9	81.4	high

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Most improved

There were several worthy runnersup, but the most improved retailer for 1986 was clearly The Gap. During the year the San Francisco-based firm expanded its trendy Banana Republic division into 64 outlets while adding 44 more Gap stores, to bring the total to 664. Moreover, the company sold its one losing division—the Pottery Barn—to Williams-Sonoma, although at a loss.

Donald Fisher, The Gap's chairman and chief executive, thinks his single most important move during the year was allowing Millard Drexler, president of the Gap division, to reposition that unit. Says Fisher, "He moved us toward an older customer, 18 and up, and away from highly fashionable clothing to more traditional looks."

Gap Chairman Donald Fisher

Shonna Valeska/Visions

Next on Fisher's agenda: expanding the Gap Kids stores and moving into Europe. By the fall of 1987 The Gap expects to have four Gap stores in London, plus one Banana Republic. Fine, but will shoppers still be clamoring for safari and traditional styles by then? Come back next year and find out.

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Carson Pirie Scott	54/41	11	10.5%	8.0%	83.5%	1.2%	2	16.7%	5.6%	9	6.1%	–37.0%	low
Carter Hawley Hale	72/56	12	8.2	7.6	103.3	1.5	9	9.0	2.2	13	–6.1	4.0	very low
Equitable of Iowa	40/ 1	13	7.7	15.6	8.6	8.5	12	1.7	–3.5	12	–2.4	79.8	very low
Alexander's	•/•	14	2.6	3.7	82.9	0.5	13	0.3	0.0	7	12.7‡‡	–46.9	average
Medians			**13.2**	**11.8**	**66.4**	**3.2**		**10.6**	**5.8**		**10.3**	**5.5**	
Discount and variety													
Wal-Mart Stores	•/•	1	35.1%	31.0%	60.7%	3.6%	1	39.0%	39.4%	2	41.4%	31.8%	very high
Family Dollar Stores	•/•	2	27.9	26.4	0.0	6.3	4	20.9	19.0	5	29.5	8.2	very high
Fred Meyer	34/NA	3	23.8††	19.9	206.1	1.3	9	13.5‡‡	NA	1	42.3‡‡	NA	high
Ames Dept Stores	•/•	4	23.2	11.6	35.6	2.3	2	31.8	80.4	7	26.7	8.6	very high
Dollar General	•/•	5	21.0	8.7	77.8	1.7	3	23.3	–0.4	4	29.6	–53.3	very high
Stop & Shop Cos	43/46	6	18.9	10.5	80.9	1.1	10	13.1	12.9	9	16.3	–14.9	low
Zayre	65/62	7	17.2	13.9	62.9	1.7	5	20.4	38.2	3	30.1	–15.4	very high
Dayton-Hudson	73/76	8	17.0	14.4	56.3	3.0	6	17.2	9.9	10	13.9	0.4	very high
Rose's Stores	■/■	9	16.6	16.8	28.0	2.4	8	14.8	18.0	6	29.2	32.0	high
Jamesway	■/■	10	15.3	10.1	62.4	1.8	7	14.9	11.1	8	21.1	–22.7	average
K mart	89/•	11	12.2	9.0	87.9	1.3	11	9.3	4.9	11	6.1	–27.4	very low
Heck's	88/DP	12	4.4	def	82.2	def	12	2.9	15.8		NM	D–D	NM
FW Woolworth	67/49	13	4.3	15.9	27.0	3.1	13	–4.4	7.0		NM	26.2	NM
Medians			**17.2**	**13.9**	**62.4**	**1.8**		**14.9**	**14.4**		**26.7**	**–7.3**	
Drugs													
American Stores	NA/NA	1	27.1%	16.4%	100.9%	1.1%	3	17.1%	–2.5%	1	30.2%	–29.2%	high
Rite Aid	•/•	2	22.9	17.7	34.9	4.3	7	10.1	8.9	5	15.1	8.2	high
Walgreen	•/NA	3	22.3	21.3	29.4	2.8	4	15.8	15.8	3	20.4	9.2	very high
Revco DS	•/•	4	18.9	13.4	78.7	1.9	2	17.6	12.8	7	2.8	81.3	very low
Longs Drug Stores	•/•	5	17.4	13.0	0.0	2.4	6	10.6	7.1	6	8.1	–10.4	high
Sherwin-Williams	30/ 3	6	15.4	17.3	28.2	3.6	5	11.2	2.0	2	21.5	10.8	very high
Perry Drug Stores	73/NA	7	14.4	10.4	126.3	1.3	1	28.8	31.0	4	17.1	–17.4	very high
Pacific Lighting	25/12	8	13.2	6.0	72.2	1.9	8	9.6	7.3	8	–2.6	–39.6	very low
Pay 'n Save	•/DD		NA	NA	230.6	NA		NA	NA		NA	NA	NA
Medians			**13.2**	**14.9**	**72.2**	**1.9**		**13.5**	**8.1**		**16.1**	**–1.1**	

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As for 1987, a new owner of Federated could well spin off Bloomingdale's, with its $1 billion in annual sales. Some observers say Bloomingdale's alone would be worth $2 billion on Wall Street. The new tax laws should also improve cash flow by reducing taxes.

Undervalued real estate—including current long-term leases—is of paramount concern today. Explains retail consultant Howard Davidowitz: "Retail real estate is reflected at its original price on a balance sheet, and it is then written down. So its true value may be 20 times what is reported. When W.T. Grant was liquidated, for example, bondholders were paid off from real estate sales. Leases, too, are valuable. Say you are in the eleventh year of a 20-year lease. Market rent could be three times what you are paying. An acquirer gets that lease."

That said, 1986 wasn't a good year for all retailers. Batus Inc. sold many of its retail chains, including Gimbels and Frederick & Nelson. The venerable Ohrbach's chain will disappear, with the Manhattan flagship store being commercially redeveloped by the Amcena Corp., Ohrbach's parent company. Amcena is also closing five other East Coast Ohrbach's stores and intends to reopen them as part of the Howland-Steinbach chain.

One major concern all retailers share is rising debt. Consumers owed $573 billion through July 1986, against $500 billion a year earlier. Eventually that spending spree will come to an end. Maybe it already has. Some of the biggest stores, such as Sears, Roebuck & Co., say the number of consumers failing to pay their credit balances is higher than expected. ■

Retailing

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Jewelry													
Jostens	41/NA	1	22.2%	20.9%	129.9%	6.8%	1	11.1%	11.6%	2	9.1%	9.0%	very high
Gordon Jewelry	75/●	2	10.0	5.5	17.3	2.7	3	1.8	–2.5	3	–14.3	72.2	average
Kay	34/47	3	7.4	19.7	74.0	1.8	4	–2.3	37.5	1	37.6‡‡	181.7	average
Zale	●/DD	4	2.4	def	52.4	def	2	5.2	7.6		NM	P–D	NM
Medians			**8.7**	**12.6**	**63.2**	**2.3**		**3.5**	**9.6**		**–2.6**	**40.6**	
Shoes													
Melville	31/34	1	23.8%	20.9%	5.6%	4.5%	1	16.0%	10.6%	1	11.6%	16.4%	very high
Edison Bros Stores	65/44	2	16.6	12.9	30.6	3.2	3	3.7	10.2	3	–6.8	59.3	low
Brown Group	44/NA	3	15.7	11.9	38.8	3.2	4	3.6	–4.1	2	–0.2	51.0	very low
Morse Shoe	79/38	4	7.5	6.8	63.4	1.6	2	5.0	6.7		NM	12.8	NM
FW Woolworth	26/46	5	4.3	15.9	27.0	3.1	6	–4.4	7.0		NM	26.2	NM
Genesco	46/59	6	def	def	135.9	def	5	–3.9	–5.0		NM	D–D	NM
Medians			**11.6**	**12.4**	**34.7**	**3.2**		**3.7**	**6.9**		**–6.8**	**21.3**	
Miscellaneous													
Highland Superstores	●/●	1	63.8%	26.3%	18.7%	4.0%	3	36.2%	45.9%	2	61.3%	22.7%	very high
Price Co	●/●	2	59.3	35.4	0.9	2.2	1	67.2	44.4	1	70.7	22.6	very high
Tandy	68/NA	3	34.0	16.8	14.0	6.4	10	16.2	6.5	11	15.0	2.3	average
Circuit City Stores	●/●	4	27.7	22.8	66.6	3.2	2	41.0	37.6	3	53.4	24.7	very high
Toys "R" Us	●/●	5	24.6	15.8	11.1	5.7	7	27.7	14.1	6	28.9	4.6	very high
General Host	68/45	6	23.7	16.5	133.9	6.4	14	6.4	9.4	4	32.0‡	–57.0	low
Hechinger	●/●	7	19.5	14.7	58.6	4.8	8	23.5	19.6	7	25.4	9.2	very high
Genuine Parts	68/79	8	19.0	16.9	3.1	5.2	13	10.6	3.3	12	6.8	0.0	very high
Payless Cashways	●/●	9	18.8	12.8	36.5	2.8	4	31.2	11.7	9	18.5	12.8	high
Lowe's Cos	●/●	10	17.3	14.4	34.3	2.7	9	20.5	18.4	5	30.1	–6.0	very high
Sherwin-Williams	42/38	11	15.4	17.3	28.2	3.6	12	11.2	2.0	8	21.5	10.8	very high
Scotty's	●/●	12	15.1	7.3	33.2	2.5	11	13.2	8.7	13	3.2	–31.7	low
Perry Drug Stores	24/NA	13	14.4	10.4	126.3	1.3	6	28.8	31.0	10	17.1	–17.4	very high
Intermark	65/78	14	13.5	def	322.6	def	5	30.3	2.0		NM	D–D	NM
American Can	46/34	15	4.7	15.6	39.0	4.9	17	–3.3	9.6		NM	63.6	NM
Evans Products	81/DD	16	def	def	NE	def	15	–2.0	–10.1		NM	D–D	NM
Wickes Cos	65/50	17	def††	6.6	208.4	1.8	16	–2.1	31.5		NM	–70.7	NM
Child World	●/●		NA	5.7	18.5	1.5		24.2	NA		NA	NA	NA
Costco Wholesale	●/DD		NA	10.8	149.6	0.5		NA	105.6		NM	D–P	NM
Medians			**18.8**	**14.7**	**34.3**	**2.8**		**22.0**	**12.9**		**17.8**	**2.3**	
Industry medians			**16.5**	**13.0**	**52.4**	**2.7**		**12.6**	**8.8**		**11.6**	**7.5**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

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SURFACE TRANSPORTATION

For railroads, the light is still at the end of that long tunnel. For truckers, it was bankruptcy for some, prosperity for others.

By Peter Fuhrman

ACCORDING TO THE EXPERTS, 1986 was to have been a turnaround year for the nation's railroads. It wasn't. Fuel prices and labor costs, which account for 60% of railroad expenses, were at their lowest levels in recent history, but business was sluggish for the kind of freight the rails haul, and there were tremendous writeoffs as the industry worked hard at cutting costs.

When will the turnaround come? The railroads are learning how to compete in a deregulated world, and to succeed they must not only cut costs but also win more traffic. The bright spot is the continuing reduction in manpower in what has been recognized as the most featherbedded industry in the nation. Although traffic was down only marginally in 1986, railroad employment was chopped by 9%, to 295,000, which is down from 502,000 seven years ago. Costs of chopping the work force accounted for a good chunk of huge writeoffs. These amounted to $1 billion each at Burlington Northern, Union Pacific and Santa Fe Southern Pacific.

Another fundamental trend is the gradual spinoff of costly spur lines. The reborn regional spurs, under new management and unfettered by costly union make-work/make-pay rules, are lowering their rates and winning back some of the local business lost to the truckers. They are now becoming the most profitable railroad operations in the nation.

The rail industry still has some battles to fight. First: The railroads count on the Supreme Court to outlaw secondary boycotts—they are illegal everywhere but in the railroad and airline industries. Then individual lines might fight through

Surface transportation

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Railroads													
Kansas City Southern	70/83	1	14.9%	0.2%	79.3%	0.3%	5	8.4%	–2.1%	2	8.9%	–98.5%	high
Burlington Northern	46/58	2	12.7	def	81.2	def	1	18.2	–15.6	1	9.2	P–D	average
Norfolk Southern	89/•	3	12.4	10.4	16.6	12.1	7	2.2	12.8	5	–2.1	1.2	very low
Union Pacific	48/60	4	10.8	def	52.9	def	4	10.1	–8.7	6	–2.7	P–D	very low
Santa Fe Southern	71/20	5	9.9	4.5	27.9	4.5	8	1.5	–10.2	4	0.6	–37.6	very low
CNW	•/DD	6	9.5	0.1	137.4	0.4	10	–1.3	8.1		NM	D–P	NM
American Standard	24/21	7	9.5	11.3	18.3	3.1	6	3.6	–7.3	7	–29.8	–10.4	high
IC Industries	23/18	8	8.4	def	100.7	def	9	0.8	–3.6	3	1.3	P–D	very low
CSX	65/72	9	8.0	def	69.5	def	2	10.1	–11.5		NM	P–D	NM
Soo Line	•/16	10	6.7	def	124.7	def	3	10.1	19.9		NM	D–D	NM
GATX	30/•	11	def	8.3	591.5	4.9	11	–8.0	–24.3		NM	D–P	NM
Medians			**9.5**	**0.1**	**79.3**	**0.3**		**3.6**	**–7.3**		**–2.7**	**P–D**	
Trucks and leasing													
Minstar	33/ 2	1	27.7%	16.5%	175.9%	3.7%	1	139.1%	28.0%	1	159.9‡%	127.6%	very high
Carolina Freight	•/•	2	20.3	16.6	70.6	3.0	2	18.1	13.4	4	16.5	15.1	high
Mayflower Group	71/53	3	19.3	11.3	106.7	1.1	3	16.5	45.7	2	36.4	–31.2	very high
Roadway Services	•/•	4	18.8	12.2	0.0	4.4	8	7.2	11.7	8	4.4	–10.9	low
Consol Freightways	83/•	5	18.1	14.7	9.3	4.3	10	5.8	11.1	7	5.5	12.2	very low

• 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ‡‡Three-year growth. For further explanation, see page 61.

Most improved

No company more deftly rode the trucking industry's favorable momentum in 1986 than Arkansas Best. In less than three years Arkansas Best doubled its size while transforming itself from a southern-based regional trucker to a leading national carrier—all without significantly diluting shareholder equity. "We're just beginning to reap the fruits of our labors," says H.L. Hembree, who's been at Arkansas Best for 29 years, 13 as chairman, and is its largest shareholder.

Charles Thatcher

Arkansas Best's H.L. Hembree

Hembree's trick is that he looks beyond the next truck stop. He invested $219 million over three years to triple the number of freight terminals, renegotiated union contracts and discarded the company's least profitable accounts. Result: Return on shareholder equity increased to 21.5%, while earnings rose 38.5%, and Arkansas Best's stock doubled, to 27. And Hembree has no intention of slowing down. "We are going to just keep expanding," he says.

strikes, and maybe break them, which means negotiating from strength with their unions in coming years.

Second: Beating back efforts by coal companies and utilities to get Congress to reimpose some form of federally regulated pricing. Basic self-interest should sway Congress here, since such meddling would likely lower the value of the government-owned Conrail, which Washington will sell off in the spring for something like $2 billion.

Third: Empire building—buying into trucking and shipping—had better work. Last year Union Pacific paid $1.2 billion for Overnight, a nonunion trucking firm, and CSX paid $800 million for Sea-Land, the containerized shipper.

Fourth and perhaps most crucial: The railroads must broaden their customer base beyond industrial raw materials.

Enter trucking, where to the survivors went the spoils. After deregulation in 1979 the number of licensed carriers doubled; then came the jackknifing. The failure rate is climbing. This year McLean Trucking, with 1985 sales of $600 million, folded.

But those bankruptcies loaded more than $1 billion in extra business for the survivors. The big profits concentrate in the less-than-truckload (LTL) segment, with Roadway, Consolidated Freightways, Yellow Freight, Carolina Freight and Arkansas Best running fastest.

Lower fuel prices and interest costs paid dividends for truckers, but the fierce competition keeps prices down. So why do the truckers do better than the railroads? Because the truckers earn four times as much on every pound they haul, and that's because they're hauling most of the good stuff, not sagging commodities. ■

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Ryder System	•/•	6	18.0%	16.6%	168.3%	4.2%	6	10.8%	34.1%	5	13.7%	21.0%	very high
Leaseway Transport	•/•	7	14.8	18.9	86.8	4.4	7	9.6	–2.1	9	3.2	147.1	very low
Yellow Freight System	•/•	8	14.6	21.8	17.7	4.2	4	14.4	10.6	3	30.5	28.1	high
Household International	23/7	9	12.1	13.7	368.3	5.6	14	–7.2	–57.0	6	9.3	6.4	average
Arkansas Best	79/66	10	10.0	21.5	126.0	3.1	5	11.2	16.5		NM	38.5	NM
Gelco	•/•	11	9.9	def	548.9	def	9	7.0	–26.8		NM	P–D	NM
Dorsey	27/22	12	8.7	13.8	30.6	2.2	12	2.0	–1.0		NM	27.2	NM
RLC	•/•	13	8.7†	12.1	281.9	3.2	11	3.9	9.7	10	–16.6	121.2	average
IU International	40/DP	14	def	def	90.0	def	13	–1.7	–36.6		NM	D–D	NM
Medians			**14.7**	**14.3**	**98.4**	**3.5**		**8.4**	**10.9**		**5.0**	**18.1**	
Other surface													
McLean Industries	•/•	1	16.0%	def	892.2%	def	1	15.3%	12.6%		NM	P–D	NM
Alexander & Baldwin	68/74	2	13.9	17.9%	32.7	18.3%	3	4.1	2.1	1	11.8%	11.0%	low
Greyhound	33/40	3	11.6	10.4	58.3	4.7	4	–16.0	2.9	3	–3.2	4.5	low
American President	•/•		NA	0.7	62.8	0.3	2	14.6	26.5	2	3.3‡‡	–93.9	very low
Medians			**13.9**	**5.6**	**60.6**	**2.5**		**9.4**	**7.8**		**0.1**	**–44.7**	
Industry medians			**11.9**	**10.4**	**81.2**	**3.1**		**7.2**	**2.9**		**0.6**	**–10.4**	

• 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. †Four-year average. ‡Four-year growth. ‡‡Three-year growth. For further explanation, see page tk.

TELECOMMUNICATIONS

This was the year of the double standard: better to serve customers than to supply them. More phone calls meant more profits for the phone companies, but not more business for the equipment makers.

By Kathleen Healy

IN 1986 THE $160-BILLION-A-YEAR telecommunications industry developed a split personality. Companies involved in providing services to customers made money in record amounts. Companies that make and sell equipment did not do nearly so well. Why? With large capital investments already in place, operating companies had little more to do than sit back and collect money from their customers, whereas a generally weak economy and the high cost of new capital investment discouraged firms from expanding their systems. Earnings of manufacturers suffered accordingly.

For providers of service, 1986 was a banner year. AT&T turned in record earnings for long distance, but 1987 could be different. Recently the Federal Communications Commission reduced AT&T's allowed rate of return, which could lower profits by as much as $100 million. Most of the Bell operating companies reported peak earnings as well.

All are wrestling for market share. In long distance, the saga of AT&T versus everyone else continued. Because of the FCC ruling, AT&T announced price cuts on long distance, forcing MCI and others to do the same. And local telephone compa-

Telecommunications

Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Carriers													
MCI Communications	●/●	1	32.4%	7.2%	133.0%	3.1%	1	59.9%	44.9%	1	34.4%	–20.0%	very low
Centel	60/84	2	17.3	15.7	81.0	10.0	8	8.8	–1.3	6	5.2	4.4	very high
PacifiCorp	21/11	3	15.6	13.7	106.8	11.8	3	14.2	3.4	4	7.1	–13.5	average
Contel	71/●	4	15.6	16.0	139.4	7.7	2	14.6	27.0	3	7.4	–2.9	high
Alltel	77/●	5	14.9	15.4	107.0	11.2	4	10.4	3.7	2	8.1	8.7	very high
So New England Tel	●/●	6	13.6	13.5	53.3	9.9	7	9.2	3.4	5	5.7	11.7	average
United Telecom	82/●	7	12.9	0.1	143.7	0.4	5	10.0	0.1	7	–32.9	–99.6	average
GTE	71/●	8	11.9	def	96.0	def	6	9.4	–0.1		NM	P–D	NM
Western Union	●/DD	9	def	def	159.6	def	9	6.5	–9.6		NM	D–D	NM
American Tel & Tel	●/●		NA	12.0	46.3	5.3		NA	1.4		NA	18.0	NA
Ameritech	●/●		NA	15.0	59.1	12.0		NA	4.6		NA	8.4	NA
Bell Atlantic	●/●		NA	14.7	60.8	12.1		NA	8.9		NA	9.2	NA
BellSouth	●/●		NA	15.1	56.3	13.7		NA	9.8		NA	4.4	NA
Nynex	●/●		NA	14.4	62.4	10.9		NA	8.9		NA	10.6	NA
Pacific Telesis	●/●		NA	14.3	70.7	11.7		NA	7.7		NA	6.3	NA

● 90% or more. **DD:** Segment deficit, total deficit. D–D: Deficit to deficit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. For further explanation, see page 61.

Most improved

Overall, the telecommunications industry in 1986 enjoyed a 3.0% earnings gain over 1985 levels, with a similar 13.3% jump in return on equity. But one company, Alltel Corp. of Hudson, Ohio, ranked far ahead of the averages. The sixth largest of 1,100 independent phone companies, Alltel buys small local phone companies and, through investment in plant and equipment, makes them more cost-efficient profit centers. Because its chairman of 25 years, Weldon Case, pursued that strategy more effectively than any of his competitors, Alltel stood out as the industry's most dramatically improved company for 1986. In fact, with a total return to shareholders (stock appreciation plus dividends) of 24% annually over the past 5 years, it has done consistently better than any of its competitors. "Because our markets have been opened to competition," says Case, "we've had to build a larger, more diverse organization and increase profits from our telephone companies by investing in technology."

Steven Begleiter

Alltel's Weldon Case

Since the 1983 merger that formed Alltel, the company has bought into over 20 firms, including the acquisition of the 20,000-customer Heins Telephone of Sanford, N.C. and a $50 million partnership in three fiber-optic long-distance companies. And by spending $160 million annually on plant and equipment, Case has given his acquisitions a revenue boost that sent earnings per share for 1986 up by 8.7%, yielding 11.2% in net profits.

The result? While Alltel is the smallest company of the top 20 on our list, its return on equity of 15.4% is among the best in the industry. During 1986 Wall Street responded accordingly, boosting Alltel's stock price by 50% during the year, to 41 recently.

nies, in the battle for customers, have introduced a range of new services, such as charges based on distance called as well as time on the line or the time of day a call is placed.

The push for further deregulation continued as well, with favorable decisions coming mostly on the state level. Nebraska gave phone companies freedom to charge what they want for service as long as increases don't exceed 10% annually.

Diversification also continued, but not on the grandiose scale some dreamed of only a few years ago. Companies are rushing to get into the mobile communications business as more than 500,000 people now pay to talk from their cars—a market that may reach $3.2 billion by 1990, with 3 million people chatting behind the wheel.

Restructuring continued, too. In one dramatic example, GTE has been selling off parts of three divisions: half its domestic PBX business to Fujitsu, 80% of its international switch manufacturing operations to Siemens, and half its Sprint long-distance service to United Telecom. And AT&T not only pared back its data products division but announced plans to cut its payroll by 27,000, mainly through costly early retirement incentives. Those accounted for a third of the $3 billion writeoff AT&T took as 1986 ended. ■

Yardsticks of management performance

		Profitability					Growth					
		Return on equity					Sales			Earnings per share		
Company	% in –segment– sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Southwestern Bell	●/●		NA	13.1%	63.6%	12.3%		NA	1.8%		NA	–2.0%	NA
US West	●/●		NA	13.7	64.5	11.6		NA	6.9		NA	1.6	NA
Medians			**14.9**	**13.7**	**70.7**	**10.9**		**10.0**	**3.7**		**5.7**	**4.4**	
Manufacturing													
TIE/Communications	●/DD	1	17.3%	def	20.9%	def	1	45.3%	–9.1%		NM	D–D	NM
Anixter Bros	●/●	2	15.1	10.9%	25.1	3.4%	4	12.4	0.8	2	–6.8%	27.1%	average
M/A-Com	NA/NA	3	13.0	2.7	48.8	2.2	2	19.1	–31.6	1	0.9	–68.5	very low
Motorola	41/●	4	12.7	7.4	25.0	3.1	3	13.6	4.3	3	–10.6	8.5	very low
ITT	30/28	5	9.0	5.7	42.2	2.8	5	–9.2	8.4	4	–19.2	–20.1	very high
Medians			**13.0**	**5.7**	**25.1**	**2.8**		**13.6**	**0.8**		**–10.6**	**–20.1**	
Industry medians			**14.3**	**13.3**	**63.0**	**8.8**		**11.4**	**3.6**		**–3.0**	**3.0**	
All-industry medians			**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**	

● 90% or more. **DD:** Segment deficit, total deficit. D–D: Deficit to deficit. P–D: Profit to deficit. def: Deficit. NA: Not available. NM: Not meaningful. For further explanation, see page 61.

WHO'S WHERE IN GROWTH

Higher sales don't mean anything unless they are translated into profits. But companies can no longer rely on increasing their profits by increasing their sales.

THERE ARE ONLY TWO WAYS TO BOOST SALES—through higher prices and by increased market share. Last year U.S. corporations found it tough on both counts. They had to contend with a sluggish economy, heavily indebted consumers and foreign competition that was not notably restrained by a falling dollar. Latest 12-month sales increased only 3.9%, vs. 4.3% last year.

Earnings rose even less than sales, but at least corporations did get better at squeezing more pennies of profits out of every sales dollar. The median net profit margin of 1,012 companies in this report is up to 3.9%, vs. 3.8% last year. More tellingly, the latest 12-month per-share earnings for the median company rose 2.8%, vs. a 0.6% decline last year.

By definition, of course, one-half of the corporations surveyed here failed to match that median 12-month earnings growth rate of 2.8%. Some were belted a lot harder. At 282 corporations, earnings declined more than 10%. Only 196 corporations reported gains of 25% or more.

Who leads in sales growth? Pullman-Peabody, topping our list, grew by acquisition. So did second-place Minstar, successor to the bankrupt Arctic Enterprises. Columbia Savings & Loan ranked third in sales growth thanks to a tremendous boost in loan volumes resulting from lower interest rates in early 1986.

Of the 1,012 companies, only 157 show negative five-year sales growth rates. Major oils and oilfield service firms have suffered from slumping demand for heavy equipment and industrial machinery.

The five-year earnings growth leader is Emerson Radio. During the past half-decade earnings grew at the astonishing average rate of 171.7% for the Secaucus, N.J.-based importer and distributor of consumer and medical electronics. Over the past 12 months, per-share earnings advanced 54.4%. One key to Emerson's success is that as an importer, not a manufacturer, Emerson has managed to keep its costs and its prices competitive with aggressive foreign companies.

Over the long run, of course, it is impossible for a company to grow way above the all-industry growth rate median. Look at Emerson Radio. At the 54.4% pace it maintained over the past 12 months, such is the power of compounding, it would take Emerson only two decades to exceed the total profits of The Forbes Sales 500, a highly unlikely event.

All growth rates must be put into perspective. Take Intergraph, a manufacturer of CAD/CAM systems, which has a five-year earnings growth rate of 65.5%. That's hot, even for a company in the computer industry. But note that in 1980 earnings were only 13 cents a share. With that as the base year, almost anything would look good. More important, over the last 12 months Intergraph's earnings fell 2.3%.

Earnings that grow faster than sales are something to crow about. Kellwood, for example, is ranked 801 in sales growth, but 5 in five-year earnings growth. The St. Louis-based apparel maker sold off its lower-margined businesses and acquired more profitable lines. Although sales have been pretty flat over the five-year period, net profit margins grew from 1.4% in 1981 to 4%. Kellwood's comeback made it the most improved company in its industry.

But handle all growth rates with caution. Of the top 50 companies ranked by five-year earnings growth rate in the FORBES industry survey of five years ago, only Kay Corp. remains in the top 50. Evans Products, Storage Technology and Charter, all among the top 50 in 1982, eventually went bankrupt. Savin, Tosco and Marion are financially distressed. Wall Street pays a premium for earnings growth and the expectation that earnings will continue growing in the future. Wall Street, the record shows, is often wrong *(see p. 40)* ■

Who's where in growth

Company	Earnings per share rank	5-year average	latest 12 months	Sales rank	5-year average	latest 12 months	Company	Earnings per share rank	5-year average	latest 12 months	Sales rank	5-year average	latest 12 months
Emerson Radio	1	171.7‡%	54.4%	20	50.1%	60.8%	Jim Walter	64	31.1%	13.5%	721	3.3%	1.2%
Chrysler	2	161.6‡‡	–19.6	145	19.5	3.9	Super Food Services	65	30.9	12.1	512	7.6	1.8
Minstar	3	159.9‡	127.6	2	139.1	28.0	Yellow Freight System	66	30.5	28.1	232	14.4	10.6
CalFed	4	156.3‡‡	21.3	50	32.2	2.5	General Dynamics	67	30.3	–8.1	285	12.7	12.1
Kellwood	5	132.8	12.1	801	0.8	–10.6	American Stores	68	30.2	–29.2	175	17.1	–2.5
Fleetwood Enterprises	6	121.7‡	–24.8	67	29.3	–2.6	Holly Corp	69	30.2	80.6	856	–1.0	–14.5
Southmark	7	110.4	–29.2	4	99.3	5.9	Zayre	70	30.1	–15.4	136	20.4	38.2
Tyson Foods	8	94.2	34.1	129	20.9	32.4	Lowe's Cos	71	30.1	–6.0	134	20.5	18.4
Rohr Industries	9	93.1	–6.6	716	3.4	3.1	Coastal Corp	72	30.1‡‡	–82.9	602	5.7	–0.4
General Motors	10	90.0‡	–7.7	341	11.0	10.1	VF	73	30.0	7.1	154	18.1	8.3
Maxicare Health	11	89.4‡‡	57.8	12	64.2	44.6	Dollar General	74	29.6	–53.3	106	23.3	–0.4
American Continental	12	81.3	–48.9	113	22.9	16.4	Family Dollar Stores	75	29.5	8.2	128	20.9	19.0
NWA	13	75.8	–14.5	373	10.3	18.2	Federal Co	76	29.5	30.2	635	5.3	–0.5
Hasbro	14	71.2	1.7	9	71.0	12.9	Ryland Group	77	29.3	79.1	166	17.4	40.4
Price Co	15	70.7	22.6	11	67.2	44.4	Rose's Stores	78	29.2	32.0	216	14.8	18.0
Longview Fibre	16	68.6	73.7	608	5.6	0.7	Toys "R" Us	79	28.9	4.6	78	27.7	14.1
Nacco Industries	17	65.7	46.7	717	3.4	19.8	E-Systems	80	28.4	–23.1	213	14.9	16.8
Intergraph	18	65.5	–2.3	15	58.4	22.8	United Artists	81	28.1	–43.6	186	16.5	11.4
Highland Superstores	19	61.3	22.7	39	36.2	45.9	Giant Food	82	28.0	15.2	461	8.6	6.7
Limited	20	54.5	55.9	19	50.9	45.0	CoreStates Financial	83	27.9	–34.7	371	10.3	7.4
Student Loan	21	54.2	25.9	63	29.8	11.0	Signet Banking	84	27.7	19.6	278	13.0	11.8
Liz Claiborne	22	53.8	39.6	21	47.9	42.7	Wetterau	85	27.6	0.4	159	17.9	19.3
Circuit City Stores	23	53.4	24.7	28	41.0	37.6	Apple Computer	86	27.5	141.4	7	72.4	–0.9
CityFed Financial	24	53.2‡‡	–17.5	34	37.6	10.1	Humana	87	27.3	–74.4	238	14.2	18.8
Outboard Marine	25	51.8	–62.1	647	5.0	10.4	Big Bear	88	27.3	–11.0	413	9.5	4.1
Telex	26	50.4	12.9	43	33.7	16.0	Manufacturers Natl	89	27.2	17.6	700	3.9	2.0
General Public Utils	27	48.0	30.5	422	9.3	–1.2	Ames Dept Stores	90	26.7	8.6	52	31.8	80.4
Brunswick	28	47.4	14.2	557	6.7	9.3	Owens-Corning	91	26.3	–64.2	484	8.0	20.0
Macmillan	29	46.7	32.8	656	4.7	25.0	Bruno's	92	26.2	8.3	198	15.9	13.3
Berkshire Hathaway	30	46.3	140.5	209	15.2	138.9	Geico	93	26.0	59.1	352	10.8	19.9
ICH	31	45.5	63.5	10	68.8	9.3	Bairnco	94	25.7	–12.2	46	33.0	10.3
Collins & Aikman	32	43.7	4.1	240	14.2	6.7	Fidelcor	94	25.7	13.9	230	14.6	17.2
Trinova	33	43.6	81.4	344	11.0	–13.6	Rubbermaid	96	25.6	20.8	179	16.8	25.1
Del E Webb	34	43.3	19.1	943	–6.5	–9.0	Hechinger	97	25.4	9.2	104	23.5	19.6
Dillard Dept Stores	35	43.2	130.3	76	27.9	15.6	American Family	98	25.1	59.5	171	17.3	40.2
Fred Meyer	36	42.3‡‡	NA	258	13.5‡‡	NA	Food Lion	99	25.0	28.6	70	28.5	25.6
Wal-Mart Stores	37	41.4	31.8	30	39.0	39.4	Phillips-Van Heusen	100	24.9	41.0	538	7.1	–8.4
Florida Natl Banks	38	40.2	–47.6	92	25.1	5.5	Super Rite Foods	101	24.9	–55.7	79	27.4	12.1
Great A&P Tea	39	39.6‡‡	2.0	855	–0.9	9.4	Collins Foods Intl	102	24.6	–34.7	234	14.3	17.8
Reliance Group	40	39.4‡‡	–80.7	233	14.4‡‡	20.4	USG	103	24.2	8.5	280	12.9	6.5
SCI Systems	41	38.7	0.0	8	71.7	–17.6	Esselte Business Sys	104	24.1	25.2	510	7.6	38.0
Charter Medical	42	38.4	8.0	89	26.1	23.0	First Executive	105	24.0	7.4	64	29.5	15.8
Kay	43	37.6‡‡	181.7	885	–2.3	37.5	Dun & Bradstreet	106	23.3	17.9	150	18.9	18.0
Dibrell Brothers	44	37.2	–0.7	757	2.2	–10.8	Loews	106	23.3	1.8	513	7.6	30.4
Comdisco	45	37.2	35.5	160	17.8	55.1	Teledyne	108	23.3	–41.1	754	2.3	–2.3
Munford	46	37.1	–37.1	502	7.7	5.6	United Stationers	109	23.1	–5.9	81	27.2	15.7
Arvin Industries	47	36.8	19.1	221	14.7	6.9	Bindley Western Inds	110	22.8	18.0	223	14.6	9.4
Mayflower Group	48	36.4	–31.2	185	16.5	45.7	Strawbridge	111	22.8	–11.6	289	12.6	8.6
Shaw Industries	49	36.3	–1.4	135	20.4	10.2	Armstrong World Inds	112	22.6	17.5	646	5.0	13.1
Manor Care	50	36.3	11.5	16	54.0	4.5	James River Corp Va	113	22.4	–13.6	17	51.3	22.0
Northrop	51	35.6	–76.4	96	24.6	17.4	Shoney's	114	22.3	18.0	137	20.3	14.5
Cummins Engine	52	34.8‡	P–D	636	5.2	0.2	Unisys	115	22.2	10.4	301	12.1	33.7
Time Inc	53	34.6‡	92.1	235	14.3	11.1	Morton Thiokol	116	22.2	–31.6	127	21.2	4.6
MCI Communications	54	34.4	–20.0	14	59.9	44.9	New York Times	117	22.1	10.5	253	13.7	13.9
Echlin	55	34.2	0.9	140	19.9	16.9	Life Investors	118	22.0	6.7	125	21.9	19.6
Primark	56	34.2	3.1	576	6.4	–8.1	Herman Miller	119	21.7	–12.1	196	16.0	5.7
Grumman	57	34.2	–16.6	319	11.6	11.3	Sherwin-Williams	120	21.5	10.8	335	11.2	2.0
General Cinema	58	33.8	–25.9	664	4.6	4.8	National Medical	121	21.5	–39.1	45	33.3	18.1
Maytag	59	33.5‡	NA	212	15.0‡	NA	Beverly Enterprises	122	21.4	13.7	26	42.0	19.5
Transworld	60	33.4	74.1	625	5.4	29.0	Hospital Corp	123	21.2	–29.6	94	24.8	19.7
Subaru of America	61	32.5	27.4	271	13.1	39.4	CNA Financial	124	21.1	34.5	478	8.2	35.6
General Host	62	32.0‡	–57.0	572	6.4	9.4	San Diego G&E	125	21.1	14.6	300	12.2	–2.5
Washington Post	63	31.2	–12.1	381	10.1	9.5	Jamesway	126	21.1	–22.7	214	14.9	11.1

P–D: Profit to deficit. NA: Not available. ‡Four-year growth. ‡‡Three-year growth.

Who's where in growth

Company	Earnings per share rank	5-year average	latest 12 months	Sales rank	5-year average	latest 12 months
First Union	127	21.0%	12.8%	218	14.7%	11.9%
First Wachovia	128	20.9	–2.0	224	14.6	1.3
American Greetings	129	20.7	–6.6	205	15.4	9.5
Ralston Purina	130	20.6	70.5	756	2.2	–6.0
Coachmen Industries	131	20.5‡	–70.3	75	28.0	–10.3
Walgreen	132	20.4	9.2	200	15.8	15.8
Columbia S&L	133	20.2‡‡	28.9	3	119.6	25.0
Deluxe Check	134	20.0	17.2	311	11.9	14.2
Northeast Utilities	135	19.8	–1.4	436	9.1	–1.1
McDonnell Douglas	136	19.8	–18.7	295	12.4	11.6
Clorox	137	19.8	8.5	364	10.5	–0.3
JWT Group	137	19.8	20.6	388	10.0	13.9
Arden Group	139	19.7	–22.3	917	–4.5	–1.9
Dean Foods	140	19.7	6.1	370	10.3	12.6
US Tobacco	141	19.6	14.5	249	13.8	6.8
Lockheed	142	19.4‡‡	11.	268	13.2	8.6
First of America Bank	143	19.4	2.5	151	18.5	8.8
Browning-Ferris Inds	144	19.3	18.4	203	15.5	15.1
Leggett & Platt	144	19.3	18.8	184	16.6	21.6
Kaman	146	19.0	7.0	487	8.0	4.0
ServiceMaster Inds	146	19.0	6.1	146	19.2	15.3
First Boston	148	18.9	11.3	49	32.6	27.0
Dow Jones	149	18.9	33.6	224	14.6	8.3
Marriott	150	18.7	17.1	139	20.0	21.3
State Street Boston	151	18.5	15.4	426	9.3	18.4
Shaw's Supermarkets	152	18.5‡	4.2	279	12.9‡	16.5
Payless Cashways	153	18.5	12.8	55	31.2	11.7
Pfizer	154	18.2	11.8	597	5.9	11.1
Harcourt Brace	155	18.2	35.9	378	10.1	21.3
Third National	156	18.1	12.2	341	11.0	2.2
Ryan Homes	157	17.9	13.6	413	9.5	8.6
Mercantile Stores	158	17.8	21.2	341	11.0	8.8
Abbott Laboratories	159	17.7	18.8	368	10.4	13.6
American Natl Ins	160	17.5	–7.9	690	4.1	5.3
Southwest Gas	161	17.4	–27.0	391	9.9	–19.4
Waste Management	162	17.4	20.5	119	22.1	19.9
Supermarkets General	163	17.4	2.9	248	13.8	4.7
Pulte Home	164	17.2	–12.6	109	23.1	4.1
Perry Drug Stores	165	17.1	–17.4	69	28.8	31.0
Kelly Services	166	17.1	16.1	178	16.8	18.2
Barnett Banks Fla	167	17.1	13.9	62	29.9	12.5
Centex	168	17.0	19.8	497	7.9	6.2
Rockwell Intl	169	16.9	3.0	376	10.2	8.5
RR Donnelley	170	16.9	5.4	275	13.0	7.0
Torchmark	171	16.9	73.9	107	23.3	17.2
Anheuser-Busch Cos	172	16.8	12.9	168	17.4	8.2
Loral	173	16.7	17.3	87	26.2	21.7
Stanadyne	173	16.7	–4.7	703	3.9	5.4
Tandem Computers	175	16.5	75.6	29	40.5	23.0
Sears, Roebuck	176	16.5	7.9	345	11.0	8.4
Carolina Freight	177	16.5	15.1	155	18.1	13.4
Nordstrom	178	16.4	23.6	90	25.5	31.8
Curtice-Burns Foods	179	16.4	–13.2	298	12.3	–6.3
Laclede Gas	179	16.4	14.0	392	9.9	–11.1
Capital Cities/ABC	181	16.3	–13.5	177	16.9	218.0
Stop & Shop Cos	182	16.3	–14.9	274	13.1	12.9
EG&G	183	16.1	–7.1	244	13.9	1.8
Wendy's Intl	183	16.1	–84.2	91	25.4	6.0
Sysco	185	15.9	13.1	170	17.3	21.5
ConAgra	186	15.8	17.2	25	42.1	8.9
Oxford Industries	187	15.7	113.0	175	17.1	–3.5
Philip Morris Cos	188	15.6	29.9	421	9.4	97.8
Flowers Industries	189	15.5	13.3	231	14.5	13.1
Interlake	189	15.5%	–1.3%	915	–4.4%	–5.8%
May Dept Stores	191	15.5‡	7.0	296	12.4‡	7.1
Allied Bancshares	192	15.2	–93.3	72	28.3	–15.1
IBM	192	15.2	0.3	226	14.6	8.6
McDonald's	194	15.2	13.4	346	11.0	13.3
Sealed Power	194	15.2	–16.0	149	19.0	8.9
Commonwealth Energy	196	15.1	1.2	572	6.4	–5.1
Rite Aid	196	15.1	8.2	381	10.1	8.9
McCormick	198	15.1	7.7	457	8.6	12.0
Tandy	199	15.0	2.3	193	16.2	6.5
Sovran Financial	200	15.0	9.5	242	14.0	–3.2
Hewlett-Packard	201	15.0	5.8	183	16.6	9.2
Bergen Brunswig	202	15.0	–15.4	73	28.3	25.9
Rohm & Haas	202	15.0	–2.5	725	3.3	1.7
Hartmarx	204	14.9	–36.5	372	10.3	–3.0
Meredith	205	14.9	–16.1	622	5.4	16.2
Fleet Financial	206	14.7	17.9	252	13.7	20.8
SunTrust Banks	207	14.7	11.2	118	22.6	8.2
Wisconsin Electric	207	14.7	9.1	520	7.5	0.1
Consolidated Papers	209	14.7	–8.8	522	7.4	–8.4
Provident Life & Acc	210	14.6	19.8	334	11.3	17.4
PNC Financial	211	14.4	21.0	332	11.3	8.6
Pitney Bowes	212	14.4	11.9	507	7.6	8.3
KeyCorp	213	14.4	12.3	74	28.1	18.6
Bausch & Lomb	214	14.3	10.1	809	0.6	14.5
Albertson's	215	14.2	16.3	358	10.7	6.0
Avery International	216	14.1	–2.4	397	9.7	15.2
Automatic Data	217	13.9	17.2	168	17.4	17.9
Bristol-Myers	218	13.9	6.6	554	6.9	9.1
Allied Stores	219	13.9	–9.9	283	12.7	5.9
Dayton-Hudson	219	13.9	0.4	172	17.2	9.9
American Bankers	221	13.8	136.9	264	13.3	29.4
Hannaford Bros	221	13.8	18.9	351	10.9	8.2
Ogilvy Group	223	13.7	4.1	257	13.5	15.8
Johnson Controls	224	13.7	–1.9	316	11.6	47.7
Ryder System	225	13.7	21.0	355	10.8	34.1
Banc One	226	13.6	15.1	48	32.6	15.2
Monfort of Colorado	227	13.6‡	76.4	191	16.3	7.8
Ball Corp	228	13.5	15.0	427	9.3	–0.9
National Fuel Gas	229	13.4	–7.9	580	6.3	–6.7
Dana	230	13.4	–33.0	444	8.9	1.2
No States Power	231	13.3	13.3	399	9.7	3.4
Questar	232	13.2	–10.4	347	11.0	–14.7
Southland	233	13.2	4.5	113	22.9	–22.7
Fort Howard Paper	234	13.2	1.7	51	31.8	8.4
JP Morgan	234	13.2	19.5	742	2.7	2.3
Times Mirror	236	13.1	49.5	407	9.6	2.1
Citicorp	237	13.0	–7.2	503	7.7	5.8
New England Electric	237	13.0	–5.6	600	5.8	1.2
Commerce Bcshs	239	13.0	6.2	328	11.4	–2.3
NCNB	240	13.0	7.8	141	19.9	25.5
Fleming Cos	241	12.9	–14.3	142	19.9	11.3
Whirlpool	242	12.9	21.9	425	9.3	16.5
Florida Progress	243	12.9	8.4	454	8.7	22.3
National City	244	12.9	23.4	180	16.7	4.1
United Virginia Bkshs	245	12.9	10.9	245	13.9	17.5
Weis Markets	246	12.8	7.9	472	8.3	8.9
Kentucky Utilities	247	12.8	–1.7	529	7.3	1.4
Equitable Resources	248	12.8	0.0	556	6.8	–9.2
PHH Group	248	12.8	–13.0	162	17.7	14.2
HJ Heinz	250	12.8	12.1	602	5.7	8.0
DeSoto	251	12.7	–56.2	695	3.9	0.8
Alexander's	252	12.7‡‡	–46.9	825	0.3	0.0

‡Four-year growth. ‡‡Three-year growth.

Company	Earnings per share rank	5-year average	latest 12 months	Sales rank	5-year average	latest 12 months
Jefferson-Pilot	253	12.6%	–30.2%	686	4.2%	2.6%
American Medical	254	12.6	P–D	53	31.7	10.3
Fuqua Industries	254	12.6‡‡	41.9	941	–6.4	–8.8
Consolidated Edison	256	12.6	–2.3	563	6.6	–4.0
Consol Natural Gas	257	12.4	–5.4	570	6.4	–16.5
Interpublic Group	258	12.3	24.2	362	10.6	16.8
Potomac Electric	259	12.3	15.2	477	8.2	5.0
Southern Calif Edison	260	12.3	2.2	552	6.9	2.1
Citizens & Southern	261	12.3	13.7	260	13.4	16.5
Willamette Inds	262	12.2	–8.3	644	5.0	–1.9
Delmarva Power & Lt	263	12.2	5.1	587	6.2	4.5
Textron	264	12.2	22.6	752	2.3	–14.3
Bank of New York	265	12.1	12.6	617	5.5	10.0
Federal Express	266	12.1	17.7	38	36.3	26.1
Super Valu Stores	267	12.1	–8.1	267	13.2	20.5
Southwestern Pub Svc	268	12.0	1.1	263	13.4	–2.8
Alexander & Baldwin	269	11.8	11.0	689	4.1	2.1
Safeco	270	11.8	93.6	393	9.9	16.7
Squibb	271	11.8	22.1	648	4.9	–5.3
Kellogg	272	11.8	12.9	611	5.6	13.9
Marshall & Ilsley	273	11.7	14.0	281	12.9	18.3
Ametek	274	11.7	0.6	670	4.5	16.5
Melville	275	11.6	16.4	197	16.0	10.6
Sara Lee	275	11.6	12.2	465	8.5	–0.5
Savannah Foods	277	11.6	–15.4	523	7.4	4.4
Rochester G&E	278	11.6	–15.0	472	8.3	–0.7
McGraw-Hill	279	11.6	3.4	476	8.3	5.0
Maryland National	280	11.4	24.3	219	14.7	13.9
Pueblo International	281	11.4	79.3	542	7.1	16.6
Wm Wrigley Jr	282	11.3	21.9	791	1.3	12.3
Day International	283	11.3	16.0	660	4.7	–0.9
Safeway Stores	284	11.1	–28.3	616	5.5	–0.6
Farmers Group	285	11.1	15.3	192	16.3	13.6
Ethyl	286	11.1	54.2	869	–1.8	0.9
First Tennessee Natl	286	11.1	5.3	320	11.5	3.4
Peoples Energy	286	11.1	–3.0	577	6.3	–8.8
Amdahl	289	11.0	–35.3	147	19.2	6.6
American Home Prods	290	10.9	9.1	696	3.9	5.4
Shawmut	291	10.9	1.4	226	14.6	20.6
Wicor	292	10.8	5.3	243	14.0	–4.8
Gap	293	10.8	325.0	348	10.9	31.6
Monarch Capital	294	10.7	68.4	32	38.7	27.5
Baltimore G&E	295	10.7	18.1	534	7.2	4.1
Society	296	10.6	24.6	211	15.1	4.8
Wisconsin Public Svc	296	10.6	0.0	475	8.3	–5.0
Kansas Power & Light	298	10.6	12.5	40	35.8	–9.7
Eli Lilly	299	10.5	10.8	660	4.7	10.4
Gannett	300	10.5	7.1	286	12.6	22.2
Southern Company	300	10.5	–1.6	289	12.6	2.7
NBD Bancorp	302	10.5	19.8	636	5.2	5.1
Prime Computer	303	10.4	–9.6	117	22.7	14.9
Kansas City P&L	304	10.4	–28.6	562	6.6	13.0
Pillsbury	305	10.4	8.0	450	8.8	22.4
Snap-on Tools	306	10.3	6.8	503	7.7	10.5
Wisconsin P&L	307	10.3	–5.4	492	7.9	3.1
RJR Nabisco	308	10.1	–11.2	305	12.0	42.6
Dominion Bankshares	309	10.1	11.8	256	13.6	8.1
Security Pacific	310	10.0	8.6	373	10.3	9.8
Meridian Bancorp	311	9.9	3.0	202	15.5	12.6
Universal Leaf	311	9.9	1.9	818	0.5	13.3
Campbell Soup	313	9.9	12.8	419	9.4	9.8
Rainier Bancorp	314	9.9	5.7	585	6.2	0.7
Midlantic Banks	315	9.9	15.5	123	22.0	18.8
Commonwealth Ed	316	9.9%	3.3%	450	8.8%	7.8%
Masco	317	9.8	30.4	485	8.0	42.2
Bank of New England	318	9.8	17.6	187	16.4	9.4
Boatmen's Bancshares	319	9.7	0.2	111	23.0	16.1
General Electric	320	9.7	3.7	764	2.0	15.0
Delchamps	321	9.7	–22.5	201	15.8	9.2
United Illuminating	322	9.7	0.5	582	6.2	–4.6
Holiday	323	9.6	0.4	744	2.6	–7.8
Knight-Ridder	323	9.6	7.8	400	9.7	7.6
Foodarama Supermkts	325	9.6‡	–5.5	777	1.6	4.0
Turner	325	9.6	–19.9	812	0.6	21.2
NCR	327	9.6	11.6	614	5.5	13.0
Centerior Energy	328	9.5	–11.2	521	7.4	3.7
Tele-Communications	329	9.5	D–P	41	35.5	12.3
Capital Holding	330	9.5	67.6	71	28.4	12.9
BayBanks	331	9.5	16.9	249	13.8	11.4
Borden	332	9.4	14.8	805	0.8	6.0
Worthington Inds	332	9.4	11.5	181	16.7	8.9
PPG Industries	334	9.4	13.8	536	7.1	6.3
Bank of Boston	335	9.4	–1.6	575	6.4	–0.1
Hershey Foods	335	9.4	17.8	460	8.6	5.9
Natl Convenience	337	9.4	–66.0	199	15.8	–6.9
Bemis	338	9.4	12.4	722	3.3	7.2
Household Intl	339	9.3	6.4	954	–7.2	–57.0
Rollins	340	9.3	15.5	753	2.3	8.8
Witco	341	9.3	10.8	669	4.5	–6.5
Burlington Northern	342	9.2	P–D	153	18.2	–15.6
Equifax	343	9.2	40.5	463	8.6	14.4
Pacific G&E	344	9.2	–2.2	437	9.1	–6.1
Brown-Forman	345	9.2	9.3	167	17.4	10.7
Ohio Edison	346	9.2	0.4	403	9.6	2.4
Jostens	347	9.1	9.0	338	11.1	11.6
Coca-Cola	348	9.1	23.1	568	6.5	19.0
Godfrey	349	9.0	92.3	524	7.4	13.1
Washington Gas Light	349	9.0	–6.4	331	11.3	–2.2
Atlanta Gas Light	351	9.0	–8.5	316	11.6	–13.4
National Service	351	9.0	5.3	480	8.2	7.7
First Bank System	353	9.0	18.6	308	11.9	21.3
Waldbaum	354	9.0	–15.2	551	6.9	4.5
Wells Fargo	354	9.0	18.2	702	3.9	7.5
Tribune	356	8.9	162.2	427	9.3	3.8
Kansas City Southern	357	8.9	–98.5	468	8.4	–2.1
FPL Group	358	8.8	–13.4	308	11.9	–1.9
Union Electric	358	8.8	–5.0	474	8.3	16.9
H&R Block	360	8.8	4.8	189	16.3	24.6
Cincinnati Financial	361	8.7	64.9	288	12.6	28.7
Central & South West	362	8.7	4.8	405	9.6	–3.7
Stanley Works	363	8.6	6.6	644	5.0	20.6
Long Island Lighting	364	8.5	–13.5	455	8.7	–2.2
Kraft	365	8.5	–4.8	826	0.3	–7.9
Pentair	366	8.5	–37.6	101	23.9	2.1
Marine Midland Banks	367	8.3	43.4	684	4.2	–7.1
Quaker Oats	368	8.3	21.7	501	7.7	8.2
Niagara Mohawk Power	369	8.3	3.4	453	8.8	–0.9
Houston Industries	370	8.2	–10.4	349	10.9	–9.8
Tecumseh Products	371	8.2	–12.9	737	2.8	–4.7
Petrie Stores	372	8.2	23.4	144	19.7	4.8
PepsiCo	373	8.1	–14.1	632	5.3	12.8
Alltel	374	8.1	8.7	369	10.4	3.7
Longs Drug Stores	375	8.1	–10.4	361	10.6	7.1
Sonoco Products	376	8.0	9.6	299	12.3	13.7
Hubbell	377	8.0	14.3	690	4.1	9.1
Iowa-Illinois G&E	378	7.9	–8.6	435	9.1	–0.6

D–P: Deficit to profit. P–D: Profit to deficit. ‡Four-year growth. ‡‡Three-year growth.

Who's where in growth

Company	Earnings per share rank	5-year average	latest 12 months	Sales rank	5-year average	latest 12 months	Company	Earnings per share rank	5-year average	latest 12 months	Sales rank	5-year average	latest 12 months
Pioneer Hi-Bred Intl	379	7.9%	–28.0%	238	14.2%	7.8%	Philadelphia Electric	441	5.2%	10.2%	548	6.9%	4.1%
JC Penney	380	7.9	24.2	694	4.0	7.0	Central Ill Pub Svc	443	5.2	17.6	471	8.4	–8.7
Old Republic Intl	381	7.8	5.0	190	16.3	28.6	AZP Group	444	5.2	–6.2	524	7.4	10.4
Chemical New York	382	7.7	–0.9	696	3.9	–4.9	Crown Cork & Seal	445	5.1	16.6	834	0.2	11.3
Combined Intl	383	7.6	41.6	303	12.0	24.3	Piedmont Aviation	446	5.1	–13.3	85	26.7	21.1
Gerber Product	384	7.6	–22.3	430	9.2	2.3	Seagram	447	5.0	40.1	740	2.8	11.0
Rykoff-Sexton	384	7.6	–42.9	105	23.5	25.4	Goodyear	448	5.0	–26.9	729	3.1	4.0
First Fidelity Bncp	386	7.6	12.4	65	29.4	13.2	Orange & Rockland	448	5.0	8.5	526	7.4	–5.3
Federal-Mogul	387	7.5	0.9	692	4.0	3.6	United Banks of Colo	450	4.9	–24.9	423	9.3	1.3
Integrated Resources	388	7.5	–76.1	22	47.9	26.2	G Heileman Brewing	451	4.9	10.4	321	11.5	–0.2
Jefferson Smurfit	389	7.5	8.0	262	13.4	41.3	Louisville G&E	452	4.9	–6.7	412	9.5	–1.6
Morrison	390	7.5	–34.4	325	11.4	11.5	Riggs National	453	4.8	10.3	479	8.2	–5.9
Hillenbrand Inds	391	7.5	24.5	417	9.4	20.7	Media General	454	4.8	1.9	292	12.6	8.5
Westinghouse	392	7.4	25.7	688	4.1	6.9	General Mills	455	4.7‡	59.2	642	5.0‡	8.7
Contel	393	7.4	–2.9	222	14.6	27.0	Dover	456	4.7	–4.2	379	10.1	–1.7
Norstar Bancorp	394	7.4	12.6	36	37.3	10.0	Southwest Airlines	456	4.7	–17.1	86	26.2	18.8
AmeriTrust	395	7.3	4.9	730	3.1	12.7	Ipalco Enterprises	458	4.7	4.3	463	8.1	6.8
Public Svc Enterprise	396	7.2	7.4	515	7.5	4.8	Iowa Resources	459	4.6	35.4	596	5.9	–28.7
Emerson Electric	397	7.2	3.5	493	7.9	6.5	Valley National	460	4.6	–13.0	387	10.1	3.0
Culbro	398	7.2	161.3	93	24.8	–3.8	TECO Energy	461	4.6	–0.6	408	9.6	4.7
Portland General	398	7.2	22.5	403	9.6	–0.5	Lincoln National	462	4.6	13.3	275	13.0	19.8
PacifiCorp	400	7.1	–13.5	237	14.2	3.4	Duquesne Light	463	4.4	–7.3	641	5.0	–0.9
Carolina Power & Lt	401	7.1	0.0	308	11.9	5.3	Hartford National	463	4.4	8.0	82	27.0	19.0
Huddick	402	7.1	7.7	281	12.9	0.2	Roadway Services	465	4.4	–10.9	532	7.2	11.7
Continental Bancorp	403	7.0	11.2	208	15.2	5.6	Atlantic City Electric	466	4.3	24.4	439	9.0	–1.2
Johnson & Johnson	403	7.0	–38.5	631	5.3	9.5	US Shoe	467	4.2	–31.7	210	15.2	6.8
Skyline	405	7.0	17.5	735	2.9	–2.8	Lear Siegler	468	3.9	–35.6	397	9.7	7.1
Scott Paper	406	7.0	15.1	499	7.8	10.3	Emhart	469	3.8	P–D	838	0.0	14.7
WW Grainger	407	7.0	18.9	546	7.0	3.1	Nortek	470	3.8	1.1	66	29.4	69.4
Merck	408	6.9	25.3	601	5.8	10.9	Pittway	470	3.8	3.7	364	10.5	10.2
Huntington Bcshs	409	6.9	8.8	152	18.5	12.3	American Express	472	3.7	77.1	37	37.1	10.2
Scana	409	6.9	3.9	289	12.6	–2.4	Jerrico	473	3.7	18.2	389	10.0	8.4
Genuine Parts	411	6.8	0.0	363	10.6	3.3	Penn Traffic	474	3.7	51.3	610	5.6	–3.0
Illinois Power	412	6.6	12.6	540	7.1	–0.6	Smithfield Foods	475	3.6	66.0	57	31.1	25.7
Universal Foods	413	6.6	–15.0	703	3.9	22.8	Figgie International	476	3.6	37.0	835	0.1	15.2
Allegheny Power	414	6.5	19.4	530	7.3	–4.2	Federated Dept Stores	477	3.5	–15.0	385	10.1	2.8
CILCorp	415	6.4	30.4	611	5.6	3.0	Entex	478	3.5	P–D	606	4.6	–19.1
Cincinnati G&E	415	6.4	24.5	470	8.4	0.5	Boeing	479	3.5	26.7	564	6.5	22.6
Hawaiian Electric	417	6.4	11.6	621	5.5	–12.5	American General	480	3.4	45.4	110	23.1	3.7
Central Hudson G&E	418	6.3	8.8	486	8.0	–6.9	First Interstate Bncp	481	3.3	9.0	494	7.9	2.5
Bankers Trust NY	419	6.3	14.5	725	3.3	1.7	American President	482	3.3‡‡	–93.9	229	14.6	26.5
SmithKline Beckman	420	6.3	1.6	284	12.7	15.0	Amoco	483	3.3	–50.6	848	–0.5	–21.8
Winn-Dixie Stores	421	6.2	3.4	546	7.0	5.7	Leaseway Transport	484	3.2	147.1	402	9.6	–2.1
Business Men's Assur	422	6.2	P–D	410	9.5	1.7	Scotty's	484	3.2	–31.7	270	13.2	8.7
Carson Pirie Scott	423	6.1	–37.0	181	16.7	5.6	Mellon Bank	486	3.1	3.7	251	13.8	5.4
Texas Utilities	423	6.1	0.2	259	13.5	–4.1	Nash Finch	487	3.0	13.1	605	5.7	9.7
K mart	425	6.1	–27.4	423	9.3	4.9	First Wisconsin	488	3.0	19.2	758	2.2	9.4
Kimberly-Clark	426	6.1	–3.1	443	9.0	7.6	George A Hormel	488	3.0	14.9	766	1.9	24.7
Boston Edison	427	6.1	3.5	566	6.5	–7.4	Irving Bank	490	2.9	16.4	809	0.6	–5.8
Borg-Warner	428	6.0	26.9	561	6.7	–8.9	Quaker State Oil	491	2.9	66.4	755	2.3	–2.5
Brooklyn Union Gas	428	6.0	–31.9	339	11.0	–2.1	Tyco Laboratories	492	2.8	31.2	174	17.1	40.4
Comerica	430	6.0	0.7	254	13.7	–8.5	Cooper Tire & Rubber	493	2.8	8.6	366	10.5	7.2
Oklahoma G&E	431	6.0	13.5	468	8.4	1.6	Revco DS	494	2.8	81.3	165	17.6	12.8
Dominion Resources	432	5.9	6.7	614	5.5	7.2	Computer Sciences	495	2.7	–13.0	584	6.2	19.5
Nucor	433	5.9	3.4	449	8.8	4.8	Mercantile Bancorp	495	2.7	10.9	657	4.7	7.2
So New England Tel	434	5.7	11.7	432	9.2	3.4	Manufacturers Hanover	497	2.7	6.1	511	7.6	–5.7
Detroit Edison	435	5.6	12.7	465	8.5	5.4	Central Steel & Wire	498	2.6	–27.2	786	1.4	–4.2
Gillette	436	5.6	10.6	832	0.3	15.9	Morrison-Knudsen	499	2.5	–7.3	749	2.4	4.6
Consol Freightways	437	5.5	12.2	598	5.8	11.1	Moore Corp	500	2.5	–5.7	745	2.6	8.4
Cullum Cos	438	5.4	0.0	557	6.7	–6.7	Air Prods & Chems	501	2.4	–96.6	657	4.7	8.3
Duke Power	439	5.3	5.3	316	11.6	14.5	Procter & Gamble	501	2.4	9.4	665	4.6	18.4
NY State E&G	440	5.3	8.7	246	13.9	3.3	American Electric	503	2.3	0.8	632	5.3	–0.7
Centel	441	5.2	4.4	447	8.8	–1.3	Chase Manhattan	504	2.2	11.0	779	1.6	–1.1

P–D: Profit to deficit. ‡Four-year growth. ‡‡Three-year growth.

Company	Earnings per share rank	5-year average	latest 12 months	Sales rank	5-year average	latest 12 months	Company	Earnings per share rank	5-year average	latest 12 months	Sales rank	5-year average	latest 12 months
Upjohn	504	2.2%	26.7%	717	3.4%	9.3%	NIKE	568	-2.0%	85.7%	77	27.9%	0.9%
Republic New York	506	2.1	26.3	549	6.9	13.8	Alco Standard	569	-2.1	15.1	357	10.7	13.1
North Amer Philips	507	2.0	-50.9	329	11.4	4.3	Norfolk Southern	570	-2.1	1.2	758	2.2	12.8
Westvaco	508	1.9	2.7	687	4.1	5.2	FMC	571	-2.2	236.1	858	-1.0	-5.3
Digital Equipment	509	1.9	80.6	123	22.0	17.8	Puget Sound P&L	572	-2.2	-10.3	207	15.3	7.8
Intl Flavors & Frags	510	1.9	21.2	761	2.2	23.8	Univar	572	-2.2‡	-15.7	692	4.0‡	-2.0
American Intl Group	511	1.9	76.6	216	14.8	58.1	Insilco	574	-2.3	-10.6	653	4.8	-8.6
Guy F Atkinson	511	1.9	NA	897	-3.0	-5.4	Illinois Tool Works	575	-2.3	-29.3	462	8.6	20.7
USAir Group	511	1.9	-22.4	277	13.0	2.7	Travelers	576	-2.3	48.2	359	10.7	6.6
Paccar	514	1.8	-44.7	672	4.5	-8.2	Equitable of Iowa	577	-2.4	79.8	774	1.7	-3.5
Springs Industries	515	1.8	52.6	705	3.8	65.6	Square D	578	-2.4	-2.6	579	6.3	1.2
Dexter	516	1.7	9.7	681	4.2	1.4	Enron	579	-2.5	-82.2	80	27.3	-16.3
MCA	517	1.7	52.8	438	9.1	22.7	Public Service NM	580	-2.6	8.9	164	17.7	3.0
Raytheon	518	1.6	14.1	674	4.4	11.4	Pacific Lighting	581	-2.6	-39.6	403	9.6	7.3
AMP	519	1.5	10.3	429	9.2	12.0	Union Pacific	582	-2.7	P-D	385	10.1	-8.7
Hercules	520	1.4	33.2	832	0.3	1.7	Mapco	583	-3.0	-3.9	815	0.6	-10.4
RepublicBank	521	1.4	-47.7	410	9.5	-7.9	McKesson	584	-3.0	10.1	536	7.1	25.2
IC Industries	522	1.3	P-D	800	0.8	-3.6	Greyhound	585	-3.2	4.5	993	-16.0	2.9
Owens-Illinois	523	1.3	19.5	874	-2.0	-0.9	Briggs & Stratton	586	-3.2	2.8	784	1.5	5.5
US Bancorp	524	1.3	15.7	514	7.6	1.7	Std Commercial Tob	587	-3.2	35.9	768	1.9	19.7
American Brands	525	1.3	-11.4	747	2.5	24.5	Ponderosa	588	-3.5	500.0+	440	9.0	4.3
Tracor	526	1.2	-86.8	293	12.5	10.3	Armstrong Rubber	589	-3.6‡	P-D	325	11.4	4.2
Middle South Utils	527	1.2	-27.5	595	5.9	9.4	Bowater	590	-4.0	-40.1	709	3.6	-0.1
Montana Power	528	1.2	111.0	659	4.7	15.3	Shaklee	591	-4.0	352.5	828	0.3	-2.0
Hilton Hotels	529	1.2	-13.2	683	4.2	3.9	Varian Associates	592	-4.1‡‡	P-D	367	10.4	-8.4
Southeast Banking	530	1.1	41.0	332	11.3	0.9	Ceco Industries	593	-4.1	-4.7	526	7.4	11.0
Gulf States Utilities	531	1.1	-12.5	315	11.7	-15.6	Chesebrough-Pond's	594	-4.1	9.7	302	12.1	21.3
Public Service Colo	532	0.9	-31.5	447	8.8	-3.0	Corning Glass Works	595	-4.3	70.1	762	2.1	7.1
M/A-Com	533	0.9	-68.5	148	19.1	-31.6	Potlatch	596	-4.4	51.0	714	3.5	0.2
Minn Mining & Mfg	534	0.9	9.0	626	5.4	8.9	Blount	597	-4.6	-71.1	396	9.8	21.2
First Chicago	535	0.9	61.9	715	3.5	-9.2	Avnet	598	-4.7	-38.2	654	4.8	0.0
Exxon	536	0.9	33.6	909	-4.1	-12.8	Diversified Energies	599	-4.7‡	P-D	329	11.4‡	-2.4
Tektronix	537	0.8	-32.3	498	7.8	-5.5	Marsh Supermarkets	600	-4.8	35.1	531	7.2	21.6
Nalco Chemical	538	0.7	-9.2	783	1.5	10.2	California First Bank	601	-4.8	15.1	588	6.2	2.5
Santa Fe Southern	539	0.6	-37.6	785	1.5	-10.2	West Point-Pepperell	602	-4.8	48.7	820	0.4	50.6
Parker-Hannifin	540	0.6	1.5	574	6.4	21.8	Liquid Air	603	-5.0	2.5	605	5.7	6.2
Becton Dickinson	541	0.5	24.8	723	3.3	14.7	United Technologies	604	-5.1	71.0	662	4.7	2.0
Public Service NH	542	0.5	-8.8	508	7.6	0.6	Archer-Daniels	605	-5.5	37.7	339	11.0	9.6
Vulcan Materials	543	0.2	17.0	591	6.1	-3.7	Intl Multifoods	606	-5.6	-15.1	713	2.5	12.8
Northwestern Natl Life	544	0.2	170.5	13	62.6	-9.6	Boise Cascade	607	-5.8	57.9	622	5.4	-1.0
El du Pont	545	0.2	72.3	219	14.7	-18.1	Zurn Industries	608	-5.9	-5.6	851	-0.7	-1.7
Rorer Group	546	0.1	218.1	651	4.9	22.9	PaineWebber Group	609	-5.9‡	84.6	188	16.3	26.5
Litton Industries	547	0.0	-65.3	823	0.4	-1.5	Sundstrand	610	-6.0	9.2	671	4.5	15.9
Harsco	548	0.0	-21.9	780	1.6	-11.0	Carter Hawley Hale	611	-6.1	4.0	440	9.0	2.2
Pennsylvania P&L	549	-0.2	1.8	204	15.4	18.4	Kidde	612	-6.2	-68.7	920	-4.7	-2.5
Brown Group	550	-0.2	51.0	710	3.6	-4.1	Raychem	613	-6.5	51.8	518	7.5	18.4
MCorp	551	-0.2	P-D	68	29.0	-0.7	Centerre Bancorp	614	-6.7	12.6	792	1.3	-2.4
Sterling Drug	552	-0.6	-15.5	804	0.8	6.7	GenCorp	615	-6.7	159.9	559	6.7	5.4
Marsh & McLennan	553	-0.8	49.1	266	13.3	33.7	Bearings	616	-6.8	-80.5	494	7.9	-1.4
No Indiana Pub Svc	554	-0.8	P-D	517	7.5	-7.8	Edison Bros Stores	616	-6.8	59.3	707	3.7	10.2
Lucky Stores	555	-0.9	-44.1	494	7.9	-24.9	Anixter Bros	618	-5.8	27.1	296	12.4	0.8
Salomon	555	-0.9	91.9	698	3.9	-5.9	Arkla	619	-6.9	22.2	830	0.3	-8.0
Perkin-Elmer	557	-0.9	-13.6	677	4.3	-0.4	Interco	619	-6.9	52.3	801	0.8	-1.2
Kroger	558	-1.2	-50.1	323	11.5	1.5	Union Camp	621	-6.9	-5.2	677	4.3	4.7
Utah Power & Light	559	-1.5	13.0	313	11.8	-3.2	Northern Trust	622	-7.1	83.2	793	1.1	3.3
Transco Energy	560	-1.5	P-D	628	5.4	8.1	Phillips Petroleum	623	-7.2	6.0	771	1.8	-28.1
Honeywell	561	-1.7	20.4	609	5.6	9.1	Texas American Bcshs	624	-7.4	P-D	273	13.1	-6.3
Tyler	561	-1.7	-38.9	434	9.2	3.1	CPC International	625	-7.4	35.8	827	0.3	4.9
Schering-Plough	563	-1.7	13.6	773	1.8	21.2	Georgia-Pacific	626	-7.5	500.0+	559	6.7	2.0
Emery Air Freight	564	-1.7	P-D	353	10.8	1.1	Church's Fried	627	-7.6	-76.5	506	7.7	-13.6
American Cyanamid	565	-1.8	-0.3	797	0.9	3.7	Unocal	628	-8.0	-93.1	795	1.0	-22.3
Adolph Coors	566	-1.8	34.4	500	7.8	5.4	Oneok	629	-8.1	-11.4	719	3.4	-29.8
Carlisle Cos	567	-2.0	-41.5	593	6.0	-9.5	Weyerhaeuser	630	-8.2	56.2	677	4.3	1.2

P-D: Profit to deficit. NA: Not available. ‡Four-year growth. ‡‡Three-year growth.

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Who's where in growth

Company	Earnings per share 5-year average rank	Earnings per share 5-year average	Earnings per share latest 12 months	Sales 5-year average rank	Sales 5-year average	Sales latest 12 months	Company
Service Merchandise	631	-8.2%	P-D	120	22.1%	13.4%	Mitchell Energy
Texas Commerce Bshs	632	-8.5	-90.4%	312	11.8	-14.4	ITT
Sun Company	633	-8.8	202.3	816	0.5	-16.5	Eastman Kodak
Harris Corp	634	-8.8	-7.7	377	10.1	-8.7	Williams Cos
Rexnord	635	-8.8	-17.5	873	-1.9	3.5	McDermott Intl
Kemper	636	-8.9	135.7	321	11.5	13.5	Brockway Inc (NY)
Big V Supermarkets	637	-9.0	7.3	578	6.3	2.0	Earle M Jorgensen
Engelhard	638	-9.1	1.1	902	-3.5	1.4	Moore McCormack
Chevron	639	-9.2	1.5	843	-0.2	-28.3	Handy & Harman
Intl Minerals & Chem	640	-9.2	P-D	905	-3.7	-17.3	Texaco
Norwest	641	-9.3	-3.0	324	11.5	-6.6	Texas Eastern
DPL	642	-9.4	-33.8	452	8.8	-2.3	Occidental Petroleum
Polaroid	643	-9.6	327.9	892	-2.6	24.2	Sun Chemical
Transamerica	644	-9.6	50.0	590	6.1	-8.2	Standard Oil
Freeport-McMoRan	645	-9.8	-83.8	750	2.4	-15.4	International Paper
Gt Northern Nekoosa	646	-10.0	-4.3	528	7.4	3.4	CBS
Data General	647	-10.2	-77.2	241	14.0	2.4	First City Bancorp
Chubb	648	-10.2	27.4	269	13.2	20.4	Burlington Inds
Seaway Food Town	649	-10.2	-51.3	710	3.6	-1.7	Aetna Life & Cas
Commercial Metals	650	-10.3	49.5	919	-4.7	-13.1	Tenneco
Fieldcrest Cannon	651	-10.4	213.5	745	2.6	64.8	American Standard
Lubrizol	652	-10.5	24.7	852	-0.7	7.5	Joy Manufacturing
Motorola	653	-10.6	8.5	255	13.6	4.3	Wyman-Gordon
General Re	654	-10.6	394.2	286	12.6	40.1	Louisiana Land
Merrill Lynch	655	-11.0	64.1	173	17.2	34.2	Dow Chemical
Dynalectron	656	-11.8	-73.0	458	8.6	10.4	United Telecom
Walt Disney	657	-12.1	41.1	163	17.7	22.6	Deere
Carpenter Technology	658	-12.4	-29.9	863	-1.3	-2.9	Central Maine Power
Murphy Oil	659	-12.4	-62.8	829	0.3	-27.5	Halliburton
National Distillers	660	-12.4	59.9	654	4.8	6.1	Intel
Panhandle Eastern	660	-12.4	P-D	763	2.1	-16.2	Best Products
DeKalb	662	-12.6	P-D	817	0.5	-25.9	Staley Continental
Champion Spark Plug	663	-12.6	P-D	819	0.4	2.5	ADT
KN Energy	664	-12.6	-86.8	727	3.2	-21.4	Advanced Micro
General Signal	665	-12.7	-67.0	738	2.8	-7.1	HF Ahmanson
Washington National	666	-12.9	148.5	890	-2.4	-19.0	Alcan Aluminium
Farm House Foods	667	-13.0	-35.3	986	-12.3	11.3	Alexander & Alexander
Wang Laboratories	667	-13.0	D-P	42	34.7	13.6	Allegheny Beverage
Stewart-Warner	669	-13.2	-27.9	910	-4.2	-1.5	Allegheny International
Ohio Casualty	670	-13.3	96.2	593	6.0	22.8	Allen Group
DWG	671	-13.4	D-D	56	31.2	3.4	Allied-Signal
Baxter Travenol Labs	672	-13.8	500.0+	383	10.1	150.3	Allied Supermarkets
Ferro	673	-13.9	24.7	863	-1.3	8.2	Allis-Chalmers
Colgate-Palmolive	674	-14.2	179.0	889	-2.4	6.6	Alcoa
Gordon Jewelry	675	-14.3	72.2	771	1.8	-2.5	AM International
Kerr-McGee	676	-14.9	P-D	865	-1.5	-14.8	AMAX
Xerox	677	-15.1	69.9	795	1.0	5.1	Amerada Hess
Hanover Insurance	678	-15.3	170.9	336	11.2	27.3	American Bakeries
Schlumberger	679	-15.4	P-D	720	3.3	-10.7	American Can
Dennison Mfg	680	-15.5	-54.6	583	6.2	4.1	American Hoist
Cooper Industries	681	-15.7	21.2	706	3.7	32.9	American Maize
Federal Paper Board	682	-15.9	41.8	409	9.6	25.2	American Motors
Foster Wheeler	683	-16.2	-27.1	928	-5.3	2.6	American Petrofina
First Security	684	-16.3	13.3	533	7.2	-0.2	Amfac
RLC	685	-16.6	121.2	699	3.9	9.7	Ampco-Pittsburgh
WR Grace	686	-16.8	-7.6	875	-2.0	-24.1	AMR
Mobil	687	-16.9	81.4	887	-2.3	-11.1	Anchor Hocking
Whittaker	688	-17.3	P-D	914	-4.4	-50.8	Arkansas Best
EF Hutton Group	689	-17.4	-75.3	103	23.5	9.2	Armco
Texas Industries	690	-17.6	-50.4	651	4.9	55.0	Arrow Electronics
Public Service Ind	691	-17.7	120.0	465	8.5	19.8	Asarco
Pennzoil	692	-18.2	P-D	891	-2.5	-15.3	Ashland Oil
Continental Corp	693	-18.8	292.2	446	8.9	17.9	Athlone Industries

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NM: Not meaningful.
‡Four-year growth.

rank	Earnings per share 5-year average	latest 12 months	rank	Sales 5-year average	latest 12 months
693	-18.8%	34.7%	788	1.4%	-14.2%
695	-19.2	-20.1	968	-9.2	8.4
696	-19.4	-85.0	790	1.3	7.3
697	-19.5	P-D	307	11.9	-20.2
698	-19.5	D-P	927	-5.3	1.0
699	-19.7	72.1	503	7.7	4.3
700	-19.8	-39.7	934	-5.8	-3.3
701	-21.7	P-D	913	-4.3	-29.8
702	-22.1	P-D	906	-3.9	-3.9
703	-22.4	178.2	903	-3.5	-30.8
704	-22.8	P-D	581	6.2	-20.5
705	-23.3	-79.0	738	2.8	1.3
706	-23.7	25.3	306	12.0	-41.1
707	-24.0	P-D	803	0.8	-15.4
708	-24.1	D-P	871	-1.8	4.3
709	-24.7	500.0+	675	4.3	2.1
710	-26.5	P-D	432	9.2	-16.2
711	-26.6	356.8	849	-0.6	-0.9
712	-28.0	153.0	589	6.1	14.5
713	-28.5	P-D	775	1.7	0.0
714	-29.8	-10.4	708	3.6	-7.3
715	-30.2	P-D	955	-7.6	-13.4
716	-30.7	P-D	962	-8.5	-13.0
717	-30.8	P-D	789	1.4	-23.8
718	-32.3	-41.1	798	0.9	1.2
719	-32.9	-99.6	389	10.0	0.1
720	-33.1	P-D	939	-6.3	-7.3
721	-34.3	500.0+	360	10.7	-1.4
722	-37.2	P-D	971	-9.7	-21.1
723	-39.0	P-D	226	14.6	-16.1
724	-40.8	P-D	138	20.1	-1.8
725	-44.7	363.2	488	8.0	10.4
	NM	P-D	634	5.3	-5.6
	NM	P-D	115	22.8	-15.2
	NM	63.5	161	17.8	4.4
	NM	D-D	748	2.5	7.2
	NM	D-P	480	8.2‡	16.8
	NM	P-D	35	37.4	49.2
	NM	D-D	293	12.5	-9.7
	NM	-32.9	767	1.9	14.4
	NM	P-D	247	13.8	12.9
	NM	D-P	896	-2.9	-19.6
	NM	D-D	992	-15.1	-15.9
	NM	P-D	778	1.6	-11.5
	NM	P-D	942	-6.5	12.6
	NM	D-D	959	-8.3	-32.7
	NM	P-D	866	-1.5	-33.9
	NM	16.7	893	-2.7	-1.4
	NM	63.6	899	-3.3	9.6
	NM	D-D	976	-10.7	-2.3
	NM	36.4	799	0.8	1.7
	NM	D-D	314	11.8	-8.1
	NM	P-D	824	0.4	-5.9
	NM	D-D	676	4.3	-3.4
	NM	P-D	850	-0.7	0.3
	NM	-27.4	395	9.8	0.2
	NM	D-D	931	-5.6	2.5
	NM	38.5	337	11.2	16.5
	NM	D-D	973	-9.8	-28.9
	NM	D-D	236	14.2	-10.5
	NM	D-D	951	-6.9	-2.6
	NM	49.3	868	-1.7	-11.4
	NM	D-D	923	-4.9	-14.0

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THE Vanguard GROUP OF INVESTMENT COMPANIES

Who's where in growth

Company	Earnings per share rank	5-year average	latest 12 months	Sales rank	5-year average	latest 12 months
Atlantic Richfield	NM	D–P		894	–2.7%	–27.6%
Avon Products	NM	P–D		794	1.0	–5.4
Baker International	NM	P–D		809	0.6	–18.2
Bally Manufacturing	NM	D–P		265	13.3	14.0
BankAmerica	NM	D–D		808	0.7	–8.8
Barnes Group	NM	74.0%		814	0.6	1.7
Becor Western	NM	20.0		939	–6.3	–1.9
Bell & Howell	NM	5.0		733	2.9	10.0
Beneficial Corp	NM	P–D		936	–5.9	0.0
Bethlehem Steel	NM	D–D		944	–6.5	–8.5
Black & Decker	NM	P–D		723	3.3	2.7
Borman's	NM	272.1		831	0.3	1.7
Butler Manufacturing	NM	51.0		741	2.7	15.0
Cabot	NM	D–P		807	0.7	–6.9
Caesars World	NM	27.1		680	4.2	5.1
Cameron Iron Works	NM	P–D		963	–8.7	4.5
Castle & Cook	NM	200.0			NA	3.7
Caterpillar	NM	D–P		946	–6.6	11.8
CBI Industries	NM	D–P		356	10.7	28.0
Celanese	NM	43.4		883	–2.2	–5.4
CenTrust Savings	NM	P–D		95	24.7	18.8
CertainTeed	NM	4.2		553	6.9	–1.3
Champion Intl	NM	D–P		440	9.0	–27.8
Charter	NM	D–D		994	–16.2	–54.8
Chicago Pneumatic	NM	P–D		904	–3.6	–28.6
Chromalloy American	NM	D–P		970	–9.6	–5.2
Cigna	NM	P–D		375	10.2	4.4
Cincinnati Milacron	NM	D–P		926	–5.3	18.0
Circle K	NM	–0.6		116	22.8	22.6
Clark Equipment	NM	D–D		961	–8.4	–6.0
CNW	NM	D–P		862	–1.3	8.1
Coleco Industries	NM	D–P		24	42.5	–33.1
Colt Industries	NM	–20.4		935	–5.8	–13.4
Columbia Gas System	NM	D–P		769	1.9	–10.9
Combustion Eng	NM	D–P		937	–5.9	–4.5
Commercial Credit	NM	–69.4		619	5.5‡	–13.7
Computervision	NM	D–D		158	17.9	–2.5
Consumers Power	NM	D–D		539	7.1	–2.9
Continental Illinois	NM	–80.7		979	–11.3	–13.1
Control Data	NM	D–D		592	6.1	–7.8
Copperweld	NM	D–D		949	–6.9	–31.3
Costco Wholesale	NM	D–P			NA	105.6
Crane	NM	–21.1		978	–11.2	16.7
Crown Central Pet	NM	P–D		743	2.6	–14.8
CSX	NM	P–D		379	10.1	–11.5
Cyclops	NM	–10.3		516	7.5	4.5
Cyprus Minerals	NM	D–D		490	7.9	31.7
Datapoint	NM	D–D		569	6.5	–14.5
Delta Air Lines	NM	–69.3		464	8.5	–5.5
Di Giorgio	NM	500.0+		662	4.7	2.6
Diamond Shamrock	NM	D–D		535	7.1	–26.8
Dorsey	NM	27.2		765	2.0	–1.0
Dravo	NM	D–P		964	–8.7	4.1
Dresser Industries	NM	P–D		878	–2.0	–5.1
Eagle-Picher Inds	NM	P–D		732	2.9	0.9
Eastern Air Lines	NM	P–D		570	6.4	–5.9
Eastern Gas & Fuel	NM	D–P		650	4.9	–6.5
Eaton	NM	–39.2		728	3.2	4.0
Economics Laboratory	NM	10.7		640	5.1	10.0
Enserch	NM	P–D		710	3.6	–13.4
Evans Products	NM	D–D		875	–2.0	–10.1
Fairchild Industries	NM	D–P		918	–4.7	8.7
Fedl Natl Mortgage	NM	D–P		215	14.8	6.1
Finl Corp of America	NM	D–P		6	87.1%	2.8%
Fireman's Fund	NM	D–P		648	4.9	7.0
Firestone	NM	–85.2%		908	–4.0	–4.8
First City Inds	NM	D–D		27	41.9	7.4
First Pennsylvania	NM	D–D		938	–6.1	–4.4
Fischbach	NM	D–D		806	0.7	30.9
Fisher Foods	NM	P–D		997	–21.6	20.8
Florida Federal S&L	NM	D–D		126	21.8	–5.4
Fluor	NM	D–D		931	–5.6	16.0
Ford Motor	NM	32.4		459	8.6	16.2
LB Foster	NM	P–D		950	–6.9	37.0
Foxboro	NM	P–D		841	–0.1	4.1
Fruehauf	NM	–54.7		607	5.6	1.4
GAF	NM	31.0		758	2.2	3.0
Gates Learjet	NM	D–D		960	–8.4	–17.3
GATX	NM	D–P		957	–8.0	–24.3
Gearhart Industries	NM	P–D		133	20.6	–21.9
Gelco	NM	P–D		544	7.0	–26.8
General Instrument	NM	D–D		845	–0.4	–10.7
General Refractories	NM	321.7		958	–8.0	20.4
Genesco	NM	D–D		907	–3.9	–5.0
Getty Petroleum	NM	500.0+		121	22.1	77.1
Gibraltar Financial	NM	25.9		132	20.6	9.3
GlenFed	NM	76.7		102	23.8	18.8
Global Marine	NM	D–D		418	9.4	–36.7
Golden West Finl	NM	33.9		122	22.0	4.4
BF Goodrich	NM	D–D		786	1.4	–13.0
Gould	NM	D–D		967	–8.9	–21.5
Gt Western Financial	NM	71.4		61	30.0	10.0
GTE	NM	P–D		416	9.4	–0.1
Gulf & Western	NM	2.7		990	–13.8	11.7
Harnischfeger Inds	NM	P–D		966	–8.8	42.5
Heck's	NM	D–D		736	2.9	15.8
Home Federal S&L	NM	71.0		143	19.7	0.9
Home Group	NM	D–P		854	–0.9	7.1
Hughes Tool	NM	P–D		901	–3.4	–29.7
Ideal Basic Inds	NM	D–D		956	–7.7	–18.7
Imperial Corp of Am	NM	436.0		156	18.0	1.3
Inco	NM	P–D		983	–11.8	–2.8
Ingersoll-Rand	NM	20.5		921	–4.8	6.9
Inland Steel Inds	NM	D–D		875	–2.0	0.4
Inspiration Resources	NM	D–D		611	5.6	0.3
InterFirst	NM	P–D		508	7.6	–15.7
Intermark	NM	D–D		60	30.3	2.0
Interstate Bakeries	NM	215.3		750	2.4	0.3
IU International	NM	D–D		867	–1.7	–36.6
Kaiser Alum & Chem	NM	D–D		945	–6.5	–8.6
Kaufman & Broad	NM	10.7		325	11.4	33.6
Kenner Parker Toys	NM	NA		813	0.6	NA
Kerr Glass Mfg	NM	D–D		987	–12.4	0.4
Koppers	NM	D–D		929	–5.4	–22.8
Lafarge	NM	500.0+		482	8.2	2.5
Lone Star Industries	NM	–69.8		821	0.4	–5.5
Lorimar-Telepictures	NM	P–D		47	32.9	35.9
Louisiana-Pacific	NM	160.7		731	3.0	16.6
LTV	NM	D–D		667	4.5	–5.6
Lukens	NM	–36.2		782	1.6	–6.8
Mack Trucks	NM	D–D		545	7.0	–20.2
Manhattan Industries	NM	D–P		431	9.2	–21.7
Manpower	NM	P–D		628	5.4	17.5
Manville	NM	D–P		911	–4.3	2.1
Martin Marietta	NM	–10.3		401	9.7	8.6
Mattel	NM	–69.4		885	–2.3	–4.1

D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. NA: Not available. NM: Not meaningful.

Who's where in growth

Company	Earnings per share rank	5-year average	latest 12 months	Sales rank	5-year average	latest 12 months
McLean Industries	NM	P–D		206	15.3%	12.6%
Mead	NM	–14.6%		853	–0.7	7.2
Michigan National	NM	45.8		619	5.5	–0.2
Mohasco	NM	–18.3		775	1.7	0.7
Monsanto	NM	–87.5		836	0.0	7.8
Morse Shoe	NM	12.8		643	5.0	6.7
Nashua	NM	46.8		880	–2.1	14.7
National Intergroup	NM	D–D		975	–10.7	312.1
Natl Semiconductor	NM	D–D		272	13.1	–6.6
National-Standard	NM	84.6		911	–4.3	–0.1
Navistar Intl	NM	D–D		982	–11.5	–4.3
Newmont Mining	NM	90.9		922	–4.8	11.6
Nicor	NM	D–D		682	4.2	–17.9
NL Industries	NM	D–D		980	–11.4	–42.4
Northwestern Steel	NM	D–P		991	–14.8	36.5
Norton	NM	P–D		882	–2.1	–4.2
NVF	NM	D–D		550	6.9	–10.9
Ogden	NM	P–D		981	–11.4	–30.6
Olin	NM	D–P		844	–0.3	–9.0
Orion Capital	NM	D–D		261	13.4	17.5
Pacific Resources	NM	65.6		304	12.0	–34.9
Pan Am	NM	D–P		884	–2.3	–9.2
Penn Central	NM	–16.1		821	0.4	–5.1
Pennwalt	NM	D–P		888	–2.3	7.2
People Express	NM	D–D		5	93.3‡‡	46.1
Perini	NM	D–P		837	0.0	–4.8
Phelps Dodge	NM	D–P		974	–10.2	–2.8
Pittston	NM	D–P		988	–13.0	0.7
PS Group	NM	–97.1		195	16.0	18.3
Pullman-Peabody	NM	–14.9		1	199.7‡‡	56.3
Purolator Courier	NM	D–D		586	6.2	3.4
Ramada Inns	NM	7.7		354	10.8	8.6
Reichhold Chemicals	NM	P–D		895	–2.7	–1.4
Research-Cottrell	NM	D–P		861	–1.2	–3.5
Resorts Intl	NM	D–D		617	5.5	–3.6
Revere Copper	NM	P–D		969	–9.4	–12.8
Revlon Group	NM	D–D			NA	1,799.3
Reynolds Metals	NM	D–P		838	0.0	3.9
HH Robertson	NM	D–D		840	–0.1	–5.2
AH Robins	NM	D–P		349	10.9	11.5
Roper Corp	NM	D–P		543	7.0	4.1
St Paul Cos	NM	D–P		541	7.1	21.1
Savin	NM	D–D		869	–1.8	–12.0
Singer	NM	13.5		898	–3.0	–22.5
AO Smith	NM	D–P		630	5.4	3.4
Smith International	NM	D–D		947	–6.7	–30.7
Sonat	NM	P–D		627	5.4	–16.0
Soo Line	NM	D–D		383	10.1	19.9
Southern Union	NM	D–D		996	–17.3	–45.2
Southwest Forest Inds	NM	D–D		847	–0.5	–12.5
JP Stevens	NM	D–P		859	–1.1	–10.8
Stewart & Stevenson	NM	P–D		972	–9.7	–5.4
Stone Container	NM	–37.5		54	31.7	47.1
Storage Technology	NM	D–P		842	–0.1	3.6
Talley Industries	NM	14.8		925	–5.2	4.8
Tesoro Petroleum	NM	D–D		930	–5.4	–35.8
Texas Air	NM	–89.2		33	37.8	16.9
Texas Instruments	NM	D–D		604	5.7	–7.4
Thorn Apple Valley	NM	D–D		489	8.0	–3.6
TIE/Communications	NM	D–D		23	45.3	–9.1
Tiger International	NM	D–D		948	–6.7	–3.0
Timken	NM	P–D		923	–4.9	–3.0
Todd Shipyards	NM	P–D		965	–8.8	7.2
Toro	NM	21.5		857	–1.0	20.1
Tosco	NM	D–D		984	–11.8	–42.0
Trans World Airlines	NM	D–D		769	1.9%	–16.4%
Triangle Industries	NM	16.9%		84	26.7	88.3
Trinity Industries	NM	D–P		977	–11.1	–2.4
TRW	NM	126.8		700	3.9	–0.7
UAL	NM	D–P		564	6.5	42.0
UGI	NM	P–D		622	5.4	–14.6
Union Carbide	NM	D–P		879	–2.1	–22.0
United Brands	NM	42.5		933	–5.6	2.0
United Financial	NM	P–D		82	27.0	46.8
United Merchants	NM	D–D		780	1.6	–9.3
US Home	NM	D–D		846	–0.5	–17.3
USF&G	NM	D–P		456	8.7	26.5
USLife	NM	D–P		673	4.4	14.2
USX	NM	P–D		490	7.9	–12.7
Valero Energy	NM	D–D		599	5.8	–22.0
Varity Corp	NM	D–P		995	–16.9	1.3
Warner Comm	NM	D–P		900	–3.3	25.6
Warner-Lambert	NM	P–D		872	–1.9	–5.3
Western Air Lines	NM	P–D		639	5.2	–4.8
Western Co No Amer	NM	D–D		860	–1.1	–46.9
Western S&L	NM	60.3		100	24.0	13.1
Western Union	NM	D–D		566	6.5	–9.6
Westmoreland Coal	NM	D–P		684	4.2	1.3
Wheeling-Pittsburgh	NM	D–D		952	–7.0	–5.5
Wickes Cos	NM	–70.7		881	–2.1	31.5
Wilson Foods	NM	D–D		953	–7.1	–5.2
FW Woolworth	NM	26.2		915	–4.4	7.0
Zale	NM	P–D		636	5.2	7.6
Zapata	NM	P–D		985	–11.9	–34.2
Zenith Electronics	NM	P–D		519	7.5	9.6
American Tel & Tel	NA	18.0			NA	1.4
AmeriFirst Federal	NA	NA		445	8.9‡	14.9
Ameritech	NA	8.4			NA	4.6
Anchor Glass	NA	NA		194	16.2‡	NA
Bear Stearns Cos	NA	4.9		18	51.1‡	5.1
Bell Atlantic	NA	9.2			NA	8.9
BellSouth	NA	4.4			NA	9.8
Carteret Savings	NA	1.2		31	38.7	–2.8
Child World	NA	NA		98	24.2	NA
Coast S&L Assoc	NA	NA		131	20.9	20.0
Compaq Computer	NA	52.3			NA	29.2
CrossLand Savings	NA	–6.2		88	26.2	–4.5
Dime Savings Bank	NA	NA		419	9.4	NA
First Federal Mich	NA	78.5		58	30.9	9.5
Gt Am First Savings	NA	103.8		108	23.1	35.1
Henley Group	NA	NA		97	24.5‡	NA
Leslie Fay Cos	NA	NA		129	20.9	23.2
Masco Industries	NA	–42.7		394	9.9	9.9
MeraBank	NA	51.9		44	33.3	14.1
Meritor Financial	NA	P–D		99	24.2	5.4
Morgan Stanley	NA	NA		59	30.7‡	NA
Nynex	NA	10.6			NA	8.9
Omnicom Group	NA	NA			NA	NA
Pacific Telesis	NA	6.3			NA	7.7
Pay 'n Save	NA	NA			NA	NA
Premark Intl	NA	NA			NA	NA
Southwestern Bell	NA	–2.0			NA	1.8
SSMC	NA	NA		989	–13.6‡	–6.7
Stater Bros	NA	127.7		415	9.5	10.8
TCF Banking & Savings	NA	NA		112	22.9‡	NA
Temple-Inland	NA	–16.6		667	4.5	–1.2
Tops Markets	NA	–10.7		554	6.9‡	3.6
UNUM Corp	NA	NA		157	17.9‡	13.5
US West	NA	1.6			NA	6.9
York International	NA	NA		733	2.9‡	NA

D–D: Deficit to deficit. D–P: Deficit to profit. P–D: Profit to deficit. NA: Not available. NM: Not meaningful. ‡Four-year growth. ‡‡Three-year growth.

WHO'S WHERE IN THE STOCK MARKET

The economy puttered, foreign goods invaded at a record pace, Wall Street was scandalized and there were some near-panic selloffs. But did the market fizzle? No. It sizzled.

KEEP YOUR BASEBALL PLAYOFFS AND World Series. If you wanted real excitement in 1986, Wall Street was the place to be. For high anxiety, no investor is likely to forget Sept. 11, 1986, the day the Dow Jones industrial average fell 87 points in a single trading day, the steepest such drop in absolute terms—since Black Tuesday of October 1929.

But anyone who saw the September plunge as a sign that the five-year-old bull market had peaked was in for a surprise. Within eight weeks the Dow averages recovered their lost ground and were marching toward new highs. Eleven times in 1986 the Dow industrials fell by 30 points or more, and in each instance the collapse ushered in a surge to more breathless heights. If nothing else, 1986 was a year for the bears to get suckered and suckered and suckered again.

If stock in an industry survey company was traded as of Nov. 18, 1986, it is listed in the following alphabetical stock market table. The stars of the year were blue chips and big company stocks. By late November the Dow's 30 industrials had averaged a 17.5% gain for the year. In contrast, the broader Wilshire index, which measures some 5,800 issues, was a comparative laggard, up 11%.

Despite rising price/earnings multiples, there was no letup in takeover and buyout activity. Beatrice Cos., R.H. Macy, National Gypsum and Safeway Stores went private. RCA and White Consolidated Industries were acquired. Sperry and Burroughs merged into Unisys, now the second-largest computer company. Chesebrough-Pond's agreed to a buyout offer from Unilever. In the autumn, food processor Anderson, Clayton was taken over by Quaker Oats.

Though the longest postwar bull market has been good for almost all stocks, it has been best for those of the biggest companies. Over the past five years 543 have at least doubled, with 254 of that number actually tripling in value or better. Pulling down the averages were 144 stocks that declined. And a total of 193 failed to show so much as a 17.7% gain, meaning they didn't keep even with inflation over the last half-decade.

The five-year stock market leaders? Minstar and Circuit City Stores, with respective gains of 4,400% and 3,437%. A $1,000 investment in corporate raider Irwin Jacob's Minstar at the start of 1982 is now worth $44,000. Of the 50 best performers, 21 were retailers. Circuit City, ranked second, is a fast-growing consumer electronics chain. The Limited, which ranked fourth in five-year stock performance, owns women's apparel stores like Lane Bryant and Victoria's Secret.

Among the top 50 companies, 25 weren't in this survey five years ago. None of the top 5 were there. Why? Because five years ago they were too small to qualify. Size is an important element in the stock market performance measured here. Third-ranked Hasbro, which had profits of only $5 million in 1980, posted a 2,000% jump in profits and a 2,700% jump in stock price. That's an impossible task for an IBM.

What about last year's losers? Unfortunately, many of the nags remain nags. In particular, the oilfield service companies have failed to make a comeback, thanks to the early 1986 collapse in energy prices. In all, the 25 stocks showing the worst five-year performance last year fell another 36%. Gearhart Industries dropped 76%, Ideal Basic Industries 73% and Tidewater 70%. If history repeats, a number of these losers will eventually rebound. It just may take longer *(see p. 40)*. ■

Who's where in the stock market

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
203	348	Abbott Laboratories	225.9	55 –12⅝	44	$2.21	19.9	2.79	$0.84	1.9%	$ 7.82	0.18
734	392	ADT	31.7†	30 –16	26¼	–2.44	def	0.68	0.92	3.5	11.50	0.44
375	307	Advanced Micro	153.2	41⅛– 5⅛	14⅞	–1.69	def	1.40	none	0.0	6.81	0.46
765	592	Aetna Life & Cas	22.2	66¼–27¼	53¾	6.78	7.9	0.30	2.64	4.9	40.84	0.76
138	401	HF Ahmanson	296.7	28¾– 2⅝	20	3.22	6.2	0.63	0.46	2.3	13.43	0.67
581	595	Air Prods & Chems	85.4	41¾–11¾	34⅞	0.08	NM	1.04	0.80	2.3	19.78	0.57
190	166	Albertson's	236.8	49½–12	44⅝	2.85	15.7	0.29	0.84	1.9	15.60	0.35
733	807	Alcan Aluminium	32.6	41⅝–15⅞	30½	–0.87	def	0.51	0.80	2.6	27.94	0.92
505	370	Alco Standard	111.6	46¾–17¼	41	2.67	15.4	0.19	1.28	3.1	21.30	0.52
806	753	Alexander & Alexander	5.9	42⅜–17	27	0.07	NM	1.07	1.00	3.7	7.12	0.26
48	285	Alexander & Baldwin	480.2	47¼– 6⅜	44	3.22	13.7	2.50	1.36	3.1	17.97	0.41
124	344	Alexander's	312.3	49 – 7½	41¾	0.59	70.8	0.36	none	0.0	17.08	0.41
509	38	Allegheny Beverage	109.5	30½– 4¼	11	–2.28	def	0.08	0.40	3.6	17.75	1.61
923	870	Allegheny Intl	–55.4	36¼–11⅜	14⅞	–7.65	def	0.08	none	0.0	17.35	1.17
261	303	Allegheny Power	193.8	53⅞–16⅛	47⅜	4.07	11.6	1.38	2.92	6.2	25.73	0.54
675	550	Allen Group	54.3	27¼– 8⅜	16⅛	1.04	15.5	0.35	0.56	3.5	13.11	0.81
892	630	Allied Bancshares	–33.8	27½–13⅛	13⅞	0.20	69.4	0.61	0.40	2.9	15.94	1.15
719	650	Allied-Signal	36.8	54½–19⅛	40	–4.17	def	0.62	1.80	4.5	33.75	0.84
75	183	Allied Stores	406.2	67½–11¼	66⅛	3.38	19.6	0.73	1.16	1.8	27.30	0.41
58	141	Allied Supermarkets	460.0	10⅛– ⅝	7	0.34	20.6	0.18	none	0.0	7.62	1.09
949	943	Allis-Chalmers	–81.9	19⅜– 2⅜	2⅞	–0.85	def	0.05	none	0.0	–1.49	NE
397	475	Alltel	147.1	45 –15½	41⅜	3.51	11.8	1.25	2.04	4.9	22.74	0.55
730	678	Alcoa	34.1	48⅛–21⅞	34⅜	–0.34	def	0.63	1.20	3.5	39.84	1.16
704	915	AM International	42.4	8⅝– ⅜	5⅞	–0.02	def	0.43	none	0.0	4.11	0.70
944	920	AMAX	–74.6	48⅞–10½	12	–1.90	def	0.63	none	0.0	10.56	0.88
702	820	Amdahl	43.2	29¼– 8⅝	21⅛	0.44	48.0	1.13	0.20	0.9	9.64	0.46
819	847	Amerada Hess	0.0	34¾–15⅛	24⅛	–7.62	def	0.40	none	0.0	26.77	1.11
214	421	American Bakeries	219.3	45¾– 8	43½	2.31	18.8	0.31	none	0.0	18.63	0.43
518	NR	American Bankers Ins	106.9	17¼– 6⅛	13⅞	1.99	7.0	0.30	0.50	3.6	10.69	0.77
453	568	American Brands	127.2	52½–17⅝	41¾	3.14	13.3	0.82	2.08	5.0	21.53	0.52
410	373	American Can	142.9	91⅞–25¾	83½	7.18	11.6	0.51	2.90	3.5	46.06	0.55
13	8	American Continental	900.0	15¼– 4¾	10	1.60	6.3	0.15	none	0.0	6.68	0.67
328	491	American Cyanamid	169.0	89⅞–24⅜	78	3.47	22.5	0.97	1.90	2.4	35.06	0.45
632	621	American Electric	70.8	31½–15⅛	27¾	2.52	11.0	1.11	2.26	8.1	20.35	0.73
365	280	American Express	156.1	70⅛–17⅝	56½	5.49	10.3	0.77	1.36	2.4	22.82	0.40
20	21	American Family	826.2	37⅜– 2¾	26¾	2.01	13.3	0.85	0.44	1.6	8.50	0.32
348	233	American General	160.9	46¾–10½	35⅞	3.91	9.2	0.76	1.12	3.1	28.98	0.81
224	51	American Greetings	213.0	42 – 9	31½	2.25	14.0	0.97	0.66	2.1	15.01	0.48
914	898	American Hoist	–48.1	18 – 6⅛	8⅜	–3.33	def	0.15	none	0.0	12.23	1.46
520	364	American Home Prods	105.5	94⅞–33¼	75	5.05	14.9	2.31	3.10	4.1	15.14	0.20
494	268	American Intl Group	116.2	71¾–22	56	3.84	14.6	1.13	0.25	0.4	22.73	0.41
484	771	American Maize	119.2	23½– 8	21⅜	0.30	71.3	0.24	0.52	2.4	21.58	1.01
862	773	American Medical	–20.5	37¼–13⅜	15½	–1.12	def	0.54	0.72	4.6	11.66	0.75
735	830	American Motors	31.6	11¼– 2¼	3⅛	–1.19	def	0.09	none	0.0	0.78	0.25
247	227	American Natl Ins	205.3	50¾–12⅝	43½	5.45	8.0	1.54	1.20	2.8	45.88	1.05
858	777	American Petrofina	–19.5	64¾–38⅜	44½	–5.76	def	0.25	none	0.0	52.16	1.17
731	NR	American President	33.8‡	29 –11⅞	25⅞	0.18	NM	0.40	0.50	1.9	25.87	1.00
712	736	American Standard	38.7	46⅞–17	41¼	2.66	15.5	0.50	1.60	3.9	23.45	0.57
60	13	American Stores	449.2	71⅛– 8⅜	54	4.00	13.5	0.12	0.84	1.6	24.44	0.45
713	NR	American Tel & Tel	38.5‡	26 –14⅞	24¾	1.64	15.1	0.77	1.20	4.8	13.70	0.55
NR	NR	AmeriFirst Federal S&L	NA	10¼– 8	9¾	NA	NA	0.18	none	0.0	NA	NA
562	NR	Ameritech	93.0‡	152¼–62⅛	124½	11.44	10.9	1.31	7.08	5.7	76.52	0.61
327	299	AmeriTrust	169.4	49½–13⅜	40¾	4.31	9.5	1.07	1.76	4.3	38.64	0.95
33	9	Ames Dept Stores	586.1	34⅝– 3¼	23⅞	1.14	20.9	0.50	0.10	0.4	9.87	0.41
672	548	Ametek	55.2	31 –11½	26	1.59	16.4	1.01	1.00	3.8	9.98	0.38
838	781	Amfac	–10.4	31⅜–17⅛	23¾	–0.87	def	0.16	none	0.0	26.14	1.10
740	796	Amoco	28.8†	72⅛–33½	67	3.77	17.8	0.83	3.20	4.9	44.79	0.67
488	418	AMP	118.2	45 –15⅛	37	1.29	28.7	2.17	0.80	2.2	9.23	0.25
819	869	Ampco-Pittsburgh	0.0	24 –11½	14¾	–0.32	def	0.32	0.30	2.0	20.14	1.37
80	77	AMR	400.0	62⅛– 9	55	4.34	12.7	0.54	none	0.0	37.41	0.68
NR	NR	Anchor Glass	NA	28¼–20⅞	23½	3.61	6.5	0.27	none	0.0	1.79	0.08
615	599	Anchor Hocking	77.5	35¾–13¾	30⅝	–0.27	def	0.43	1.48	4.8	24.21	0.79
163	107	Anheuser-Busch Cos	266.6	29⅛– 6⅜	25⅛	1.58	15.9	0.92	0.48	1.9	8.04	0.32

Note: Except as indicated, price changes are from Dec. 31, 1981 to Nov. 18, 1986. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. †Price change does not reflect the value of shares received in a spinoff. ‡Three-year price change. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Who's where in the stock market

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
722	705	Anixter Bros	36.0	14½– 4⅝	10⅝	$0.61	17.4	0.59	$0.16	1.5%	$ 6.06	0.57
662	878	Apple Computer	59.9	63¼– 11	35⅜	2.39	14.8	1.18	none	0.0	8.90	0.25
538	659	Archer-Daniels	101.4	22⅜– 6⅜	20¼	1.57	12.9	0.61	0.10	0.5	12.73	0.63
26	16	Arden Group	707.1	28⅜– 3	28¼	2.13	13.3	0.16	none	0.0	15.07	0.53
59	153	Arkansas Best	455.2	25⅜– 3¼	23¼	2.02	11.5	0.35	0.36	1.5	9.39	0.40
794	723	Arkla	11.2	29⅞– 12¾	19⅞	0.99	20.1	1.26	1.08	5.4	9.53	0.48
950	929	Armco	–83.9	27⅞– 5⅜	4½	–7.47	def	0.11	none	0.0	15.10	3.36
583	212	Armstrong Rubber	84.7	24⅛– 7	15⅛	–3.64	def	0.18	0.48	3.2	22.25	1.47
173	204	Armstrong World Inds	255.2	35 – 6⅝	29¾	2.38	12.5	0.77	0.84	2.8	7.52	0.25
927	822	Arrow Electronics	–57.0	34 – 3⅛	6⅞	–4.91	def	0.09	0.20	2.9	10.76	1.57
148	174	Arvin Industries	279.8	35 – 5⅞	28¼	2.49	11.3	0.52	0.68	2.4	14.69	0.52
903	899	Asarco	–38.8	44¼– 10	15¾	–2.29	def	0.40	none	0.0	21.20	1.35
603	775	Ashland Oil	79.2	64¼– 20½	56	6.15	9.1	0.26	1.80	3.2	33.18	0.59
904	766	Athlone Industries	–39.3	28¾– 14⅝	17⅜	–0.90	def	0.20	1.60	9.2	4.95	0.28
NR	NR	Guy F Atkinson	NA	20 – 14¼	15	1.24	12.1	0.15	0.84	5.6	21.25	1.42
250	298	Atlanta Gas Light	203.3	22⅞– 7⅛	22¾	1.67	13.7	0.41	1.60	7.0	16.74	0.74
446	482	Atlantic City Elec	129.0	46⅝– 16¾	39½	3.52	11.2	1.26	2.62	6.6	24.77	0.63
747	731	Atlantic Richfield	26.4*	67⅞– 32¼	59¼	3.66	16.2	0.65	4.00	6.8	29.83	0.50
324	327	Automatic Data Proc	170.6	38¾– 10¼	34	1.50	22.7	1.98	0.38	1.1	9.05	0.27
298	189	Avery International	180.2	47½– 10¾	38⅞	2.41	16.1	0.73	0.76	2.0	15.84	0.41
769	594	Avnet	18.7	50 – 17⅜	27⅜	0.63	43.5	0.68	0.50	1.8	18.18	0.66
827	806	Avon Products	–4.6	36⅞– 17¼	28⅜	–0.72	def	0.72	2.00	7.0	11.69	0.41
688	579	AZP Group	49.0	32 – 14½	28⅞	3.34	8.6	1.76	2.72	9.4	25.36	0.88
367	135	Bairnco	155.2†	35½– 9¼	23½	2.02	14.1	0.50	0.70	2.5	16.70	0.59
941	908	Baker International	–72.4	42 – 8⅞	10½	–5.15	def	0.47	0.46	4.4	14.43	1.37
110	82	Ball Corp	335.6	45½– 7⅞	36⅝	2.53	14.5	0.79	0.82	2.2	14.38	0.39
882	841	Bally Manufacturing	–27.9	32⅜– 11⅛	21	1.01	20.8	0.44	0.20	1.0	15.12	0.72
257	277	Baltimore Gas & Elec	197.3	39⅞– 14⅛	34⅜	3.14	10.9	1.49	1.80	5.2	19.36	0.56
301	185	Banc One	179.3	33⅛– 8½	24¼	2.21	11.0	1.18	0.84	3.5	12.29	0.51
344	312	Bank of Boston	163.0	44⅞– 10⅝	40	5.03	8.0	0.46	1.32	3.3	32.30	0.81
245	NR	Bank of New England	205.6	39½– 8¼	30⅛	3.55	8.5	0.76	1.12	3.7	19.18	0.64
343	247	Bank of New York	163.3	46¼– 12	37⅜	4.83	7.8	0.65	1.68	4.5	28.38	0.75
880	891	BankAmerica	–27.1	26¼– 9½	15½	–5.46	def	0.19	none	0.0	24.30	1.57
402	325	Bankers Trust NY	145.7	52½– 12⅝	41⅝	6.00	6.9	0.59	1.48	3.6	34.32	0.82
617	658	Barnes Group	76.6*	34½– 11⅛	32	2.54	12.6	0.47	1.00	3.1	17.68	0.55
191	200	Barnett Banks Fla	236.3	40⅞– 8⅜	34	2.95	11.5	0.98	0.80	2.4	16.41	0.48
714	743	Bausch & Lomb	38.1	44 – 16¾	36½	2.40	15.2	1.64	0.78	2.1	13.67	0.37
800	722	Baxter Travenol Labs	7.5	31⅜– 11¾	18	1.69	10.7	0.78	0.40	2.2	10.78	0.60
264	140	BayBanks	193.2	52 – 9⅞	37¼	4.15	9.1	0.83	1.32	3.5	24.67	0.65
NR	NR	Bear Stearns Cos	NA	26⅝– 12¼	19	1.49	12.8	0.69	0.44	2.3	8.03	0.42
828	608	Bearings	–4.6	45⅞– 16	33¼	0.50	67.3	0.28	1.00	3.0	33.39	0.99
872	872	Becor Western	–24.6	21¼– 9¾	12¼	0.18	68.1	0.54	0.20	1.6	11.71	0.96
540	687	Becton Dickinson	100.0	61¼– 15⅜	47¾	2.62	18.2	1.50	0.66	1.4	16.83	0.35
537	NR	Bell Atlantic	101.5‡	77 – 32½	65¾	5.83	11.3	1.36	3.60	5.5	39.66	0.60
137	330	Bell & Howell	297.4	47⅝– 8¾	37¾	3.14	12.0	0.40	0.62	1.6	22.68	0.60
553	NR	BellSouth	95.8‡	69 – 27¼	55	5.03	10.9	1.53	3.04	5.5	33.41	0.61
99	181	Bemis	359.5	29¾– 5⅜	28	1.81	15.5	0.43	0.60	2.1	14.28	0.51
172	388	Beneficial Corp	255.3	78⅝– 14⅝	71½	–2.65	def	0.77	2.00	2.8	35.20	0.49
738	293	Bergen Brunswig	29.9	37⅜– 11¾	20⅛	1.54	13.1	0.10	0.32	1.6	13.33	0.66
76	34	Berkshire Hathaway	404.5	3250 –430	2825	448.28	6.3	1.69	none	0.0	1643.71	0.58
836	692	Best Products	–9.6	26⅛– 9	11	–0.10	def	0.13	none	0.0	15.40	1.40
945	873	Bethlehem Steel	–77.4	29½– 4⅞	5¼	–5.55	def	0.06	none	0.0	16.92	3.22
427	190	Beverly Enterprises	137.0	22⅜– 6⅛	19¼	1.16	17.0	0.62	0.20	1.0	9.85	0.50
576	NR	Big Bear	86.7‡	21⅜– 7½	18¼	1.94	9.4	0.14	none	0.0	9.58	0.52
659	124	Big V Supermarkets	62.2	16½– 6¼	11⅜	1.03	11.0	0.12	0.44	3.9	7.91	0.70
764	NR	Bindley Western Inds	22.5‡	15½– 6¾	10⅞	0.92	11.8	0.10	none	0.0	6.30	0.58
792	710	Black & Decker	11.6	28⅝– 12	16⅛	–3.37	def	0.54	0.40	2.4	9.94	0.59
438	NR	H&R Block	131.6	49 – 12⅝	44	2.39	18.4	1.79	1.48	3.4	11.73	0.27
633	572	Blount	70.3	19¾– 5¼	13⅜	0.33	41.3	0.14	0.40	2.9	11.45	0.84
353	NR	Boatmen's Bancshares	159.3	47½– 15⅞	38½	4.40	8.8	1.15	1.65	4.3	30.35	0.79
202	536	Boeing	226.7	64⅞– 10	49	4.27	11.5	0.49	1.20	2.4	28.12	0.57
635	645	Boise Cascade	70.1	62⅛– 19¾	58¼	2.89	20.2	0.46	1.90	3.3	49.46	0.85
81	127	Borden	399.6	52 – 8⅞	46⅜	2.80	16.7	0.71	1.12	2.4	18.27	0.39

Note: Except as indicated, price changes are from Dec. 31, 1981 to Nov. 18, 1986. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. †Price change does not reflect the value of shares received in a spinoff. *Shares outstanding have declined by 10% or more in the last year. ‡Three-year price change. NA: Not available. def: Deficit.

Who's where in the stock market

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
268	372	Borg-Warner	191.5†	44⅝– 11	38⅝	$2.45	15.8	0.94	$1.00	2.6%	$18.99	0.49
14	206	Borman's	894.1	25¾– 2	21⅛	2.27	9.3	0.06	0.20	0.9	10.75	0.51
437	440	Boston Edison	131.8	27⅞– 10	25½	2.55	10.0	0.82	1.78	7.0	17.57	0.69
NR	NR	Bowater	NA	33⅛– 14⅞	29½	1.57	18.8	0.96	0.72	2.4	14.40	0.49
700	685	Briggs & Stratton	43.7	40¼– 22⅛	34⅛	2.21	15.4	0.66	1.60	4.7	20.29	0.59
293	258	Bristol-Myers	181.4	88½– 25⅜	74¾	4.02	18.6	2.25	2.20	2.9	17.71	0.24
325	394	Brockway Inc (NY)	170.3	29⅞– 8⅜	26⅛	2.39	10.9	0.30	0.88	3.4	18.17	0.70
511	419	Brooklyn Union Gas	109.2	28⅞– 11⅛	25⅝	1.71	15.0	0.55	1.62	6.3	16.94	0.66
684	582	Brown-Forman	50.9	64½– 23¼	54½	4.00	13.6	1.12	1.24	2.3	24.15	0.44
423	167	Brown Group	137.9	43⅜– 13⅛	33¾	2.34	14.4	0.44	1.44	4.3	19.72	0.58
142	125	Browning-Ferris Inds	284.0	44⅞– 8⅛	41⅛	1.80	22.8	2.34	0.64	1.6	7.90	0.19
37	44	Bruno's	538.9	23¾– 2½	16⅜	0.78	21.0	0.62	0.18	1.1	4.49	0.27
36	45	Brunswick	549.6	39⅜– 3½	30¼	2.57	11.8	0.78	0.56	1.9	12.46	0.41
666	511	Burlington Inds	57.9	43 – 17	38½	2.01	19.2	0.39	1.64	4.3	40.26	1.05
435	376	Burlington Northern	132.2	82⅜– 17⅛	62¼	–6.53	def	0.62	2.00	3.2	63.13	1.01
547	447	Business Men's Assur	98.1	32¾– 10¼	26½	–1.72	def	0.68	1.10	4.2	29.50	1.11
773	711	Butler Manufacturing	17.6	33½– 18½	30	2.22	13.5	0.28	1.32	4.4	27.19	0.91
770	790	Cabot	18.6	35⅛– 16⅛	29½	2.56	11.5	0.63	0.92	3.1	19.56	0.66
519	721	Caesars World	105.7	22⅞– 6⅜	18	1.36	13.2	0.78	none	0.0	8.99	0.50
711	NR	CalFed	38.8‡	42 – 11⅜	29½	7.06	4.2	0.31	0.60	2.0	41.76	1.42
434	402	California First Bank	132.2	40¼– 12⅛	34	2.52	13.5	0.70	1.08	3.2	24.42	0.72
947	928	Cameron Iron Works	–81.0	50½– 8⅜	8⅞	–0.09	def	0.45	0.04	0.5	11.92	1.34
132	163	Campbell Soup	305.2	68½– 13⅞	58	3.45	16.8	0.86	1.44	2.5	23.71	0.41
160	131	Capital Cities/ABC	268.3	276 – 64¾	271⅛	9.32	29.1	1.36	0.20	0.1	68.42	0.25
284	211	Capital Holding	185.4	38¼– 10⅛	31¼	4.19	7.6	0.73	0.82	2.6	20.12	0.63
812	833	Carlisle Cos	3.5	40¼– 18½	29¼	1.89	15.7	0.60	1.10	3.7	21.52	0.72
65	NR	Carolina Freight	437.8	40½– 5⅛	40	2.67	15.0	0.45	0.44	1.1	16.12	0.40
557	558	Carolina Pwr & Lt	95.1	42⅜– 18⅞	39½	3.97	9.9	1.55	2.68	6.8	27.33	0.69
884	791	Carpenter Technology	–28.4	58¼– 28	33⅛	1.48	22.4	0.57	2.10	6.3	34.62	1.05
111	306	Carson Pirie Scott	334.1	40⅛– 7⅛	35	1.67	21.0	0.26	0.70	2.0	21.01	0.60
316	554	Carter Hawley Hale	175.0	44¼– 10½	41¼	1.58	26.1	0.20	1.22	3.0	20.74	0.50
601	NR	Carteret Savings Bank	79.6‡	22⅜– 5⅛	14⅞	2.48	6.0	0.28	0.30	2.0	17.08	1.15
554	NR	Castle & Cooke	95.7	19⅜– 6⅞	18½	1.20	15.4	0.50	none	0.0	9.25	0.50
889	846	Caterpillar	–32.4	57½– 28⅛	37½	3.15	11.9	0.50	0.50	1.3	31.19	0.83
907	919	CBI Industries	–41.5	45⅛– 18¼	25	1.79	14.0	0.38	0.60	2.4	23.12	0.92
300	288	CBS	179.7*	151½– 33⅜	132½	8.44	15.7	0.64	3.00	2.3	24.84	0.19
223	264	Ceco Industries	213.6	41¼– 10	40¼	2.44	16.5	0.30	0.80	2.0	31.05	0.77
114	270	Celanese	332.0*	247½– 41¼	241⅜	17.16	14.1	0.96	5.20	2.2	77.18	0.32
628	481	Centel	73.6	65⅛– 27⅜	57½	4.79	12.0	1.19	2.44	4.2	30.56	0.53
NR	NR	Centerior Energy	NA	27⅜– 22⅛	23	3.01	7.6	1.56	2.56	11.1	21.53	0.94
679	533	Centerre Bancorp	52.0	51⅜– 15⅞	38	3.85	9.9	0.58	1.80	4.7	41.47	1.09
NR	NR	Centex	NA	40½– 18	34⅜	2.78	12.4	0.44	0.25	0.7	18.34	0.53
420	399	Central & South West	139.6	37½– 13¼	33¼	3.73	8.9	1.20	2.14	6.4	23.29	0.70
645	555	Central Hudson G&E	67.1	39⅞– 16⅛	30½	4.84	6.3	0.88	2.96	9.7	29.49	0.97
366	479	Central Ill Pub Svc	155.7	30½– 10⅜	28⅛	2.14	13.1	1.49	1.68	6.0	16.32	0.58
699	729	Central Maine Power	44.4	20 – 7⅞	17⅞	1.59	11.2	0.79	1.40	7.8	14.59	0.82
639	586	Central Steel & Wire	69.0	490 –230	490	35.77	13.7	0.29	30.00	6.1	476.27	0.97
NR	NR	CenTrust Savings	NA	15⅛– 4½	10	–0.73	def	0.13	0.60	6.0	24.77	2.48
381	368	CertainTeed	151.6	38½– 10⅛	29⅛	3.00	9.8	0.50	0.90	3.1	24.19	0.83
669	751	Champion Intl	56.3	32½– 11¾	30⅜	1.76	17.5	0.64	0.52	1.7	26.24	0.85
720	749	Champion Spark Plug	36.7	13½– 6⅞	10¼	–0.45	def	0.46	none	0.0	9.60	0.94
926	941	Charter	–56.9	15½– 1	3½	–2.53	def	0.04	none	0.0	–10.19	NE
232	114	Charter Medical	209.7	29 – 5½	19½	1.48	13.2	0.92	0.24	1.2	7.36	0.38
742	630	Chase Manhattan	27.6	49½– 15⅜	34⅜	6.58	5.2	0.28	2.05	6.0	49.19	1.43
616	353	Chemical New York	77.0	56¼– 17⅝	42⅞	7.47	5.7	0.39	2.60	6.1	50.82	1.19
728	580	Chesebrough-Pond's	34.8	52⅛– 30½	45½	3.38	13.5	0.64	2.08	4.6	19.20	0.42
804	819	Chevron	6.4	47⅛– 23½	45⅜	4.09	11.2	0.54	2.40	5.3	45.47	1.00
550	668	Chicago Pneumatic	96.1*	39⅞– 10⅞	37¼	–2.29	def	0.67	none	0.0	24.62	0.66
NR	NR	Child World	NA	20¼– 12	15¼	0.85	17.9	0.33	none	0.0	14.86	0.97
750	832	Chromalloy American	26.0	25⅛– 7¼	23	1.62	14.2	0.43	none	0.0	14.55	0.63
8	14	Chrysler	1,567.8*	47⅛– 2	37¾	3.63	4.4	0.25	1.40	3.7	27.75	0.74
294	195	Chubb	281.2	78⅛– 13¼	57½	4.47	12.9	0.77	1.56	2.7	31.76	0.55
741	380	Church's Fried	28.6	20¼– 8⅜	12⅞	0.27	45.8	0.96	0.46	3.7	7.24	0.59
776	613	Cigna	16.9††	77¼–27	51¾	–7.66	def	0.24	2.60	5.0	52.85	1.02

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Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
286	395	CILCorp	184.4	42½–13½	38¾	$3.35	11.6	1.03	$2.28	5.9%	$22.19	0.57
146	113	Cincinnati Financial	280.5	79⅞–14¼	64¼	5.82	11.0	1.30	1.32	2.1	31.83	0.50
637	654	Cincinnati G&E	69.8	31⅛– 8⅞	26¾	3.61	7.4	0.85	2.16	8.1	18.80	0.70
845	859	Cincinnati Milacron	–14.1	39 –15⅛	22⅛	0.77	28.7	0.64	0.72	3.3	11.19	0.51
120	251	Circle K	318.1	18⅜– 2⅜	16⅜	0.89	18.5	0.32	0.28	1.7	5.03	0.31
2	5	Circuit City Stores	3,437.2	33 – ¾	29½	1.16	25.4	0.79	0.06	0.2	5.08	0.17
560	453	Citicorp	94.1	63¾–21½	49	6.80	7.2	0.29	2.46	5.0	50.63	1.03
320	331	Citizens and Southern	173.9	30½– 7⅜	23⅜	2.58	9.2	0.86	0.88	3.7	14.03	0.59
54	97	CityFed Financial	465.6	18⅛– 1⅝	12⅝	3.11	4.1	0.21	0.40	3.2	14.79	1.17
873	813	Clark Equipment	–25.5	39⅛–15¾	20⅛	–3.04	def	0.39	none	0.0	22.95	1.14
116	73	Clorox	325.6	60⅜–10⅝	47⅞	3.69	13.0	1.18	1.52	3.2	20.61	0.43
208	111	CNA Financial	221.7	75 –10¼	48¼	6.36	7.6	0.53	none	0.0	33.24	0.69
818	769	CNW	1.1	53⅞–12¼	22	0.01	NM	0.38	none	0.0	17.78	0.81
354	101	Coachmen Industries	158.8	39⅝– 3⅛	11	0.22	50.0	0.27	0.40	3.6	10.32	0.94
NR	NR	Coast Savings & Loan	NA	19½–11¼	13⅜	3.33	4.1	0.21	none	0.0	26.83	1.97
691	669	Coastal Corp	47.5	40 – 8½	31⅝	0.50	63.3	0.14	0.40	1.3	22.99	0.73
243	275	Coca-Cola	206.5	44⅞– 9⅞	35½	2.08	17.1	1.49	1.04	2.9	7.72	0.22
346	65	Coleco Industries	161.8	65 – 3¼	9	0.19	47.4	0.26	none	0.0	6.02	0.67
424	381	Colgate-Palmolive	137.3*	43½–15	39¾	1.73	23.0	0.58	1.36	3.4	12.66	0.32
19	30	Collins & Aikman	827.3	52¾– 5⅛	51	3.03	16.8	0.99	0.88	1.7	15.76	0.31
67	NR	Collins Foods Intl	435.2	19⅜– 2½	16½	0.62	26.6	0.57	0.12	0.7	5.98	0.36
265	221	Colt Industries	192.2	11¾– 2½	9¾	0.66	14.7	0.18	none	0.0	2.55	0.26
737	765	Columbia Gas System	30.0	44¼–26¾	41¾	1.70	24.6	0.49	3.18	7.6	35.10	0.84
35	72	Columbia S&L Assoc	569.2	17⅜– 1	10⅞	5.35	2.0	0.14	0.24	2.2	17.72	1.63
456	220	Combined Intl	126.6	65½–17½	54⅜	7.32	7.4	1.07	2.24	4.1	29.87	0.55
843	864	Combustion Eng	–13.9	39½–20½	31⅞	1.53	20.8	0.42	1.00	3.1	20.00	0.63
251	116	Comdisco	202.9	28 – 4½	17¼	1.91	9.0	0.77	0.16	0.9	6.75	0.39
408	340	Comerica	143.3	60⅜–17½	48	4.65	10.3	0.52	2.20	4.6	44.23	0.92
359	NR	Commerce Bancshares	157.7	42¼–12⅞	35¾	3.61	9.9	0.78	1.08	3.0	30.69	0.86
NR	NR	Commercial Credit	NA	22¾–20½	20⅝	0.34	60.7	1.00	none	0.0	22.68	1.10
514	539	Commercial Metals	108.3	22⅛– 5¾	15⅝	1.60	9.8	0.16	0.32	2.0	15.31	0.98
650	556	Commonwealth Edison	66.0	35¼–19¼	33	4.69	7.0	1.22	3.00	9.1	29.99	0.91
319	417	Commonwealth Energy	174.8	45¾–13	40⅞	4.38	9.3	0.59	2.72	6.7	27.88	0.68
744	NR	Compaq Computer	27.0‡	18¼– 3½	15⅞	1.31	12.1	0.71	none	0.0	5.16	0.33
278	578	Computer Sciences	187.6	39¾–11	37¾	1.88	20.1	0.62	none	0.0	15.33	0.41
925	923	Computervision	–56.5	52⅞– 9⅛	14⅛	–1.09	def	0.85	none	0.0	6.48	0.46
79	230	ConAgra	400.7	31½– 5⅜	29	1.61	18.1	0.32	0.58	2.0	7.72	0.27
267	210	Consolidated Edison	191.5	52⅞–15⅜	47⅜	4.26	11.1	1.07	2.68	5.7	32.57	0.69
430	198	Consol Freightways	135.4	36½–10⅜	31	2.30	13.5	0.58	0.82	2.6	15.69	0.51
369	528	Consol Natural Gas	154.2	35⅛–10	32¼	2.26	14.3	0.96	1.32	4.1	18.43	0.57
131	196	Consolidated Papers	305.7	59½–11⅝	53¼	4.36	12.2	1.77	1.60	3.0	22.63	0.42
830	892	Consumers Power	–6.6	21⅞– 4⅛	16	–4.03	def	0.44	none	0.0	21.50	1.34
619	573	Contel	76.3	35⅜–14⅞	29¾	3.03	9.8	0.76	1.88	6.3	18.96	0.64
347	NR	Continental Bancorp	161.4	69 –19⅛	57½	4.95	11.6	1.28	2.04	3.5	28.44	0.49
651	422	Continental Corp	65.4	55 –20⅝	43⅜	4.55	9.6	0.47	2.60	6.0	36.21	0.83
NR	NR	Continental Illinois	NA	10¼– 4⅞	5⅞	0.29	20.3	0.12	0.08	1.4	7.08	1.21
883	885	Control Data	–28.4	63¼–15⅛	25¼	–8.62	def	0.30	none	0.0	29.21	1.16
876	825	Cooper Industries	–25.7	55¼–19¼	38¼	3.03	12.6	0.52	1.60	4.2	27.49	0.72
143	241	Cooper Tire & Rubber	282.8	27¾– 6⅞	27¾	2.14	13.0	0.50	0.44	1.6	17.44	0.63
447	690	Adolph Coors	128.9	31⅝– 9⅞	23¾	1.76	13.5	0.65	0.50	2.1	26.46	1.11
942	874	Copperweld	–72.4	24¼– 6¼	6¼	–1.55	def	0.18	none	0.0	13.78	2.04
105	122	CoreStates Financial	349.6	44⅛– 7¼	35⅛	3.88	9.1	0.94	1.36	3.9	23.53	0.67
527	414	Corning Glass Works	103.4	81½–19⅜	52¾	3.76	14.0	1.25	1.40	2.7	27.64	0.52
NR	NR	Costco Wholesale	NA	19½– 8½	11⅝	0.15	NM	0.37	none	0.0	1.39	0.12
536	518	CPC International	101.8	88½–29⅜	71⅛	4.06	17.6	0.79	2.20	3.1	28.21	0.39
670	761	Crane	55.6	34½–10	34½	1.76	19.6	0.40	1.20	3.5	11.54	0.33
NR	NR	CrossLand Savings	NA	24¾– 9¼	15½	5.03	3.1	0.27	0.40	2.6	28.88	1.86
837	855	Crown Central Pet	–10.0	30 – 9⅛	13½	–1.65	def	0.07	none	0.0	30.17	2.23
189	218	Crown Cork & Seal	237.1	114¼–22¾	101⅛	7.25	13.9	0.64	none	0.0	50.46	0.50
701	508	CSX	43.5	37½–12⅛	27¾	–1.05	def	0.65	1.16	4.2	30.09	1.08
77	24	Culbro	402.5	53¾– 8½	50¼	6.35	7.9	0.23	0.80	1.6	34.97	0.70
417	346	Cullum Cos	140.3	26½– 8⅛	20½	1.62	12.7	0.22	0.50	2.4	10.90	0.53
627	321	Cummins Engine	73.9	88½–26	61¾	–9.01	def	0.30	2.20	3.6	74.29	1.20
388	144	Curtice-Burns Foods	149.8	35⅛– 9¼	30¼	2.23	13.6	0.19	0.96	3.2	18.37	0.61

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Who's where in the stock market

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
282	375	Cyclops	186.3	78 – 13⅝	73	$5.25	13.9	0.20	$1.10	1.5%	$53.44	0.73
NR	NR	Cyprus Minerals	NA	24⅞–11	15½	–15.19	def	0.48	none	0.0	30.73	1.98
625	455	Dana	74.1	34⅞–14⅜	34¼	2.19	15.6	0.48	1.28	3.7	22.73	0.66
778	644	Data General	16.3	76 – 10⅛	31¼	0.21	NM	0.64	none	0.0	25.84	0.83
NR	NR	Datapoint	NA	9¼ – 4½	7⅞	–0.86	def	0.43	none	0.0	13.01	1.65
399	591	Day International	146.2	29¾ – 6¼	28	2.25	12.4	0.29	0.24	0.9	24.65	0.88
296	105	Dayton-Hudson	180.8	58½–12⅝	42⅛	2.89	14.6	0.43	0.84	2.0	20.04	0.48
55	58	Dean Foods	465.6	33⅜ – 4½	31	1.56	19.9	0.62	0.46	1.5	7.76	0.25
898	876	Deere	–36.3	42⅜–21½	22⅝	–1.29	def	0.40	0.50	2.2	33.29	1.47
901	886	DeKalb	–37.7	30⅛–12¼	15⅞	–4.22	def	0.45	none	0.0	26.58	1.67
577	NR	Delchamps	86.7‡	27¾ – 9¾	22⅞	1.07	21.4	0.23	0.28	1.2	10.47	0.46
339	343	Delmarva Power & Lt	165.3	38⅛–11½	33½	2.87	11.7	1.37	2.02	6.0	18.43	0.55
565	656	Delta Air Lines	91.8	52¾–22⅝	47	1.76	26.7	0.42	1.00	2.1	32.45	0.69
126	169	Deluxe Check	310.6	36¼ – 4⅝	28⅞	1.36	21.2	2.93	0.64	2.2	4.14	0.14
549	398	Dennison Mfg	96.4	30⅜–10⅞	29⅛	0.80	36.4	0.64	1.20	4.1	13.96	0.48
213	229	DeSoto	219.4	41⅜–11¼	39⅛	1.34	29.2	0.46	1.40	3.6	26.23	0.67
680	601	Detroit Edison	51.6	19⅜–11	17¼	2.58	6.7	0.88	1.68	9.7	17.41	1.01
535	671	Dexter	101.8	23⅜ – 7⅜	19⅞	1.29	15.4	0.77	0.60	3.0	9.39	0.47
304	477	Di Giorgio	177.8	27 – 7⅛	25	2.24	11.2	0.19	0.64	2.6	17.29	0.69
915	897	Diamond Shamrock	–49.8	26¾ – 9½	12¾	–0.45	def	0.48	0.40‡‡	3.1‡‡	13.77	1.08
122	62	Dibrell Brothers	315.7*	29 – 5¾	25¼	2.87	8.8	0.26	0.88	3.5	18.08	0.72
458	662	Digital Equipment	126.3	105⅛–30⅞	97⅞	5.58	17.5	1.57	none	0.0	44.54	0.46
9	4	Dillard Dept Stores	1,273.5	45¾ – 2¾	41	2.28	18.0	0.77	0.12	0.3	12.42	0.30
NR	NR	Dime Savings Bank of NY	NA	18½–13¾	15⅝	NA	NA	0.35	none	0.0	23.65	1.51
235	452	Walt Disney	209.1	54⅞–11¼	40⅜	1.82	22.2	2.13	0.32	0.8	9.16	0.23
364	324	Diversified Energies	156.8	29 – 8⅞	24⅞	–1.04	def	0.45	1.44	5.8	17.56	0.71
89	NR	Dollar General	377.4	29⅜ – 2¾	14⅛	0.50	28.3	0.47	0.20	1.4	5.74	0.41
416	NR	Dominion Bankshares	140.9	25⅜ – 5⅞	19⅞	1.99	10.0	0.81	0.72	3.6	12.47	0.63
332	393	Dominion Resources	167.4	52⅛–16⅜	47⅛	3.84	12.3	1.53	2.96	6.3	29.47	0.63
192	160	RR Donnelley	233.8	80 –17⅞	63	3.94	16.0	1.14	1.28	2.0	23.47	0.37
418	391	Dorsey	140.3	29⅛ – 8	21⅝	1.73	12.3	0.25	0.64	3.0	12.53	0.58
763	674	Dover	22.7	48½–17¾	40½	2.54	15.9	0.99	0.92	2.3	17.75	0.44
503	679	Dow Chemical	111.9	60⅞–19⅝	55⅜	1.35	41.2	0.93	2.00	3.6	25.20	0.45
489	226	Dow Jones	118.2	41 –11⅞	36	1.83	19.7	3.16	0.56	1.6	6.21	0.17
587	527	DPL	82.9	29⅛–11¼	26¾	1.61	16.6	1.14	2.00	7.5	17.94	0.67
809	893	Dravo	4.5	20 – 9¼	17½	0.44	39.8	0.27	0.50	2.9	13.97	0.80
909	907	Dresser Industries	–45.5	33½–12¼	18⅛	–2.74	def	0.36	0.40	2.2	21.60	1.19
463	576	El du Pont	125.8	89 –30	84⅛	6.53	12.9	0.73	3.20	3.8	51.62	0.61
451	472	Duke Power	127.9	52 –20¼	47	4.00	11.8	1.45	2.68	5.7	28.97	0.62
204	225	Dun & Bradstreet	225.4	120⅜–29¼	102½	4.42	23.2	2.52	2.56	2.5	17.83	0.17
824	627	Duquesne Light	–3.8	19½–11½	12¾	2.04	6.3	1.08	1.20	9.4	16.37	1.28
705	842	DWG	42.2	3½ – 1⅜	2¾	–0.26	def	0.04	none	0.0	4.04	1.47
604	726	Dynalectron	79.2	18⅞ – 6¼	16⅛	0.34	47.4	0.24	0.27	1.7	10.82	0.67
333	291	E-Systems	167.3	44¾–10⅞	33½	1.53	21.9	0.94	0.50	1.5	10.69	0.32
390	617	Eagle-Picher Inds	149.1	41¾ – 9⅜	34⅞	–11.71	def	0.57	1.04	3.0	11.35	0.33
663	806	Eastern Air Lines	59.6	12⅛ – 3½	9⅜	–3.51	def	0.15	none	0.0	3.28	0.35
758	792	Eastern Gas & Fuel	23.8	30¾–14¼	29⅞	2.18	13.7	0.58	1.30	4.4	19.26	0.64
723	727	Eastman Kodak	35.8	65⅜–40⅛	64⅜	0.48	NM	1.28	2.52	3.9	29.07	0.45
474	367	Eaton	122.7	79 –22¾	71	4.46	15.9	0.62	1.60	2.3	42.00	0.59
254	437	Echlin	200.0	20½ – 5¼	19⅛	1.11	17.2	1.01	0.50	2.6	8.79	0.46
311	486	Economics Laboratory	175.8	29⅜ – 8	22¾	1.66	13.7	0.75	0.58	2.5	9.59	0.42
NR	NR	Edison Bros Stores	NA	43¾–31	37	2.74	13.5	0.43	1.60	4.3	21.27	0.57
687	499	EG&G	49.4	43 –14½	29½	1.83	16.1	0.70	0.52	1.8	7.47	0.25
590	400	Emerson Electric	82.4	92 –39⅞	82¾	5.62	14.7	1.21	2.88	3.5	30.08	0.36
15	NR	Emerson Radio	883.5	11⅜ – ⅞	10¾	0.61	17.6	0.53	none	0.0	1.74	0.16
803	714	Emery Air Freight	6.9	26⅝ – 7	13⅝	–0.29	def	0.30	0.50	3.7	9.24	0.68
444	332	Emhart	129.4	42⅝–12⅝	33½	–0.40	def	0.52	1.40	4.2	21.83	0.65
757	755	Engelhard	24.2	44¾–17¾	30⅛	1.85	16.3	0.36	0.76	2.5	19.04	0.63
759	708	Enron	23.6	54⅝–21	38⅝	0.80	48.3	0.19	2.48	6.4	31.23	0.81
900	844	Enserch	–37.1	29⅞–13½	15⅞	–0.68	def	0.31	0.80‡‡	5.0‡‡	15.22	0.96
716	649	Entex	37.5	24¼–10¼	17⅞	–4.08	def	0.52	1.40	7.8	9.00	0.50
61	53	Equifax	447.7	28½ – 3⅝	21	1.18	17.8	0.72	0.68	3.2	4.47	0.21
530	590	Equitable of Iowa	102.6	23⅛ – 9	22⅝	4.15	5.5	0.45	0.85	3.8	26.53	1.17
497	NR	Equitable Resources	112.9	51¼–12½	50¾	4.38	11.6	1.54	1.72	3.4	28.81	0.57

Note: Except as indicated, price changes are from Dec. 31, 1981 to Nov. 18, 1986. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. *Shares outstanding have declined by 10% or more in the last year. ‡Three-year price change. NA: Not available. NM: Not meaningful. def: Deficit. ‡‡Does not include stock dividends given in another company as part of the dividend.

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
NR	NR	Esselte Business Sys	NA	37¼–12⅝	32	$1.94	16.5	0.72	$0.56	1.8%	$14.40	0.45
43	106	Ethyl	512.7	23⅜– 2¼	18	1.28	14.1	1.44	0.38	2.1	6.23	0.35
965	946	Evans Products	–97.6	2½– ⅛	⅜	–15.83	def	0.00	none	0.0	–9.60	NE
495	640	Exxon	115.6	71¼–24⅞	67⅜	7.79	8.6	0.64	3.60	5.3	39.83	0.59
834	916	Fairchild Industries	–8.2	24⅞– 7⅞	11⅛	0.55	20.2	0.17	0.20	1.8	10.58	0.95
50	NR	Family Dollar Stores	470.1	28⅛– 2½	19	1.06	17.9	1.13	0.24	1.3	0.00	0.00
842	737	Farm House Foods	–13.7	6½– 2½	5	0.21	23.9	0.05	none	0.0	3.70	0.74
429	261	Farmers Group	135.9	46¼–14⅝	37¾	3.01	12.5	2.40	1.00	2.6	17.98	0.48
158	492	Federal Co	269.6	40⅜– 9⅛	39½	2.93	13.5	0.52	1.04	2.6	16.30	0.41
523	300	Federal Express	105.2	73¼–20¼	64⅛	2.46	26.1	1.20	none	0.0	21.49	0.34
621	509	Federal-Mogul	75.0	46¼–18	39⅜	3.38	11.6	0.55	1.60	4.1	26.23	0.67
136	379	Fedl Natl Mortgage	298.5	39½– 7⅛	33⅞	2.08	16.3	0.23	0.32	0.9	18.41	0.54
460	686	Federal Paper Board	125.9	31¼– 8⅞	30½	1.46	20.9	0.44	0.70	2.3	15.97	0.52
370	292	Federated Dept Strs	154.2	100⅛–33⅛	91½	5.83	15.7	0.44	2.68	2.9	55.50	0.61
724	620	Ferro	35.7	40 –18½	38	2.37	16.0	0.37	1.20	3.2	29.05	0.76
244	74	Fidelcor	205.6	47½– 8¼	37¼	4.66	8.0	0.62	1.40	3.8	26.35	0.71
291	624	Fieldcrest Cannon	181.6	43 – 8½	31½	1.74	18.1	0.33	0.60	1.9	23.22	0.74
249	478	Figgie International	204.2	58¾–14⅜	54	5.89	9.2	0.44	0.76	1.4	36.47	0.68
814	552	Finl Corp of America	2.7	32¾– 4	7	3.06	2.3	0.08	none	0.0	2.59	0.37
NR	NR	Fireman's Fund	NA	44½–25¾	32⅞	2.59	12.7	0.62	0.30	0.9	20.31	0.62
496	454	Firestone	113.9	29½– 9⅝	27	0.20	NM	0.28	0.80	3.0	28.30	1.05
277	412	First Bank System	187.8	59¼–13¾	50	6.51	7.7	0.48	2.00	4.0	40.95	0.82
68	31	First Boston	426.2	62¼– 8¼	46⅜	4.55	10.2	0.48	1.00	2.2	24.64	0.53
665	544	First Chicago	58.4	34⅞–13½	30½	4.42	6.9	0.40	1.32	4.3	34.10	1.12
952	896	First City Bancorp	–85.1	34 – 4⅝	4⅞	–8.34	def	0.11	none	0.0	24.54	5.03
789	NR	First City Industries	13.2	21 – 3¼	5⅜	–3.79	def	0.09	none	0.0	10.54	1.96
147	98	First Executive	280.4	23¼– 3½	15¾	1.75	9.0	0.29	none	0.0	11.38	0.72
281	NR	First Federal Mich	187.0‡	30 – 5¼	24¾	8.53	2.9	0.22	0.40	1.6	26.84	1.08
178	170	First Fidelity Bncp	248.8	42½–10	36⅝	3.98	9.2	0.86	1.68	4.6	25.45	0.69
696	600	First Interstate	45.5	67⅜–21⅜	52	7.25	7.2	0.46	2.66	5.1	57.79	1.11
133	61	First of America Bank	303.9	52⅛– 9⅝	43¾	5.37	8.1	0.68	1.60	3.7	31.23	0.71
266	585	First Pennsylvania	192.0	9¾– 2⅜	9⅛	–0.01	def	0.39	none	0.0	11.77	1.29
793	672	First Security	11.4	35 –14⅛	23¼	1.70	13.7	0.50	1.10	4.7	29.15	1.25
187	164	First Tennessee Natl	243.6	36⅝– 8⅞	35½	3.17	11.2	0.92	1.12	3.2	19.71	0.56
263	128	First Union	193.7	30 – 6	23¼	2.47	9.4	1.05	0.68	2.9	12.96	0.56
NR	NR	First Wachovia	NA	46⅛–33	36¾	3.44	10.7	1.12	1.08	2.9	19.38	0.53
197	255	First Wisconsin	230.9	33 – 5¼	25⅛	2.42	10.4	0.71	0.84	3.3	18.78	0.75
877	786	Fischbach	–26.1	55½–23½	28¼	–2.97	def	0.09	none	0.0	41.38	1.46
856	520	Fisher Foods	–19.2*	16⅝– 7⅜	10½	–0.44	def	0.06	0.05	0.5	14.71	1.40
171	117	Fleet Financial	255.3	56⅛–10¼	47¾	5.33	9.0	1.32	1.60	3.4	24.73	0.51
182	49	Fleetwood Enterprises	245.6	41⅞– 5¼	22¼	1.61	13.8	0.43	0.52	2.3	12.37	0.56
342	186	Fleming Cos	163.5	44⅞–11¼	34¼	2.46	13.9	0.10	1.00	2.9	20.56	0.60
823	NR	Florida Federal S&L	–2.5‡	22⅝–12⅞	14⅞	–7.88	def	0.27	none	0.0	23.94	1.61
467	146	Florida Natl Banks	124.2	29¼– 7⅝	18½	1.87	9.9	0.76	0.44	2.4	15.09	0.82
323	347	Florida Progress	171.2	47 –14⅞	42⅜	3.75	11.3	1.08	2.40	5.7	21.63	0.51
97	47	Flowers Industries	361.0	29 – 4½	26⅛	1.28	20.4	0.84	0.54	2.1	6.97	0.27
929	924	Fluor	–61.7	31⅜–11⅜	11½	–7.13	def	0.19	0.40	3.5	13.06	1.14
104	336	FMC	350.6	20⅞– 4½	20⅜	1.21	16.8	0.32	none	0.0	7.53	0.37
47	41	Food Lion	480.3	18½– 1¾	12⅛	0.36	34.0	0.89	0.03	0.2	1.30	0.11
57	102	Foodarama Supermkts	461.5	20¾– 3⅛	18¼	2.23	8.2	0.05	none	0.0	18.82	1.03
29	96	Ford Motor	640.4	63½– 7⅛	55⅛	11.97	4.6	0.22	2.60	4.7	45.24	0.82
439	151	Fort Howard Paper	131.5	60½–16⅛	46⅞	2.44	19.2	2.13	1.00	2.1	16.60	0.35
943	921	LB Foster	–73.7	18¼– 3¼	3¾	–2.20	def	0.08	none	0.0	7.07	1.89
851	889	Foster Wheeler	–16.2	17⅜– 9⅜	12¼	0.70	17.5	0.34	0.44	3.6	11.85	0.97
887	857	Foxboro	–30.5	47½–21½	24¼	–2.07	def	0.52	none	0.0	21.04	0.87
472	436	FPL Group	123.0	38 –14	32¾	2.85	11.5	1.01	2.04	6.2	21.38	0.65
870	863	Freeport-McMoRan	–23.6	26¾–12¼	18¼	0.29	62.9	1.84	0.60‡‡	3.3‡‡	10.76	0.59
177	616	Fruehauf	250.3	49⅞–10⅛	43½	1.70	25.6	0.36	none	0.0	29.40	0.68
123	59	Fuqua Industries	314.1	25½– 3⅞	22	2.37	9.3	0.53	0.24	1.1	10.60	0.48
66	136	GAF	435.6	44 –4¼	38½	2.03	19.0	1.83	0.10	0.3	8.45	0.22
262	286	Gannett	193.8	43⅜– 9⅞	35⅜	1.66	21.3	2.16	0.92	2.6	7.94	0.22
5	20	GAP	1,843.9	45½– 1⅜	42⅛	1.36	31.0	1.99	0.28	0.7	4.32	0.10
938	903	Gates Learjet	–71.8	21¼– 3¾	5⅜	–2.97	def	0.24	none	0.0	7.50	1.33
817	799	GATX	1.2	42 –20⅛	30⅞	2.01	15.4	0.50	1.50	4.9	24.23	0.78

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Who's where in the stock market

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
962	937	Gearhart Industries	-93.9	30⅜- ⅞	1½	$-10.21	def	0.09	none	0.0%	$4.46	2.97
166	42	Geico	259.5	105½-21	99¾	12.06	8.3	1.25	$1.08	1.1	29.14	0.29
831	875	Gelco	-6.8	27⅛-12¾	18⅞	-0.19	def	0.35	none	0.0	15.70	0.83
129	119	GenCorp	307.0	83 -16½	79¼	4.47	17.7	0.58	1.50	1.9	42.58	0.54
93	33	General Cinema	371.2	59 - 8⅝	43	2.41	17.8	1.57	0.60	1.4	10.62	0.25
260	545	General Dynamics	194.4	89¼-18¾	72⅛	8.54	8.4	0.35	1.00	1.4	31.46	0.44
351	366	General Electric	160.6	82⅜-27½	74¾	5.31	14.1	1.08	2.52	3.4	30.49	0.41
100	48	General Host	358.3	25⅝- 2⅜	12⅞	1.45	8.9	0.55	0.22	1.7	8.77	0.68
935	883	General Instrument	-63.8	66⅞-12¾	16	-1.60	def	0.64	0.25	1.6	16.98	1.06
470	254	General Mills	123.0†	47⅜-14¼	40	2.17	18.5	0.76	1.28	3.2	7.61	0.19
599	566	General Motors	80.2	88⅛-33	69⅜	10.33	6.7	0.22	5.00	7.2	80.09	1.15
174	172	General Public Utils	251.9	25 - 4½	23¾	2.57	9.2	0.53	none	0.0	27.74	1.17
385	126	General Re	150.1	69½-16⅞	50½	2.57	19.6	1.81	0.88	1.7	18.49	0.37
198	728	General Refractories	229.7	17⅜- 2⅜	15¼	1.94	7.9	0.17	none	0.0	6.19	0.41
795	744	General Signal	10.7	54¼-28	42¾	1.20	35.6	0.74	1.80	4.2	31.47	0.74
919	871	Genesco	-51.8	10⅜- 2⅜	3⅜	-1.79	def	0.10	none	0.0	3.01	0.89
529	462	Genuine Parts	102.8	48⅛-19⅞	42¼	2.31	18.3	0.95	1.28	3.0	13.71	0.32
606	746	Georgia-Pacific	78.9	40½-13¼	36	2.21	16.3	0.53	1.00	2.8	21.37	0.59
176	148	Gerber Products	250.8	57⅜-10⅝	44⅝	2.02	22.1	0.93	1.32	3.0	18.20	0.41
119	NR	Getty Petroleum	319.2	31⅞- 3¾	20¾	1.86	11.2	0.19	0.16	0.8	5.08	0.24
25	11	Giant Food	715.4	33⅛- 2⅞	26½	1.97	13.5	0.34	0.60	2.3	9.05	0.34
376	713	Gibraltar Financial	152.9	16 - 2⅝	10¾	2.77	3.9	0.16	0.20	1.9	14.40	1.34
170	263	Gillette	255.6	68⅞-15¼	60	2.83	21.2	1.41	1.36	2.3	14.53	0.24
450	NR	GlenFed	128.2‡	27⅛- 6¾	22¼	4.47	5.0	0.27	0.40	1.8	35.54	1.60
963	947	Global Marine	-95.1	25⅛- ⅛	1⅛	-10.78	def	0.15	none	0.0	6.91	6.14
49	474	Godfrey	477.6	19⅞- 3⅛	19¼	1.25	15.4	0.17	0.26	1.4	6.13	0.32
41	219	Golden West Finl	519.0	46¾- 3	32½	5.85	5.6	0.74	0.20	0.6	15.14	0.47
546	634	BF Goodrich	98.3	47⅞-16⅜	44⅛	-0.26	def	0.36	1.56	3.5	30.43	0.69
428	487	Goodyear	136.2	50 -17½	44⅞	2.96	15.2	0.48	1.60	3.6	32.44	0.72
677	458	Gordon Jewelry	52.9	22⅞- 9¼	19½	1.24	15.7	0.42	0.52	2.7	23.78	1.22
861	664	Gould	-20.4	43¾-14¾	18	-3.80	def	0.77	none	0.0	15.19	0.84
786	843	WR Grace	13.7	60¾-28½	52	2.94	17.7	0.40	2.80	5.4	43.40	0.83
483	423	WW Grainger	119.5	46½-16⅞	40¾	2.90	14.1	1.03	0.72	1.8	17.92	0.44
345	463	Gt Am First Savings	163.0‡	24¾- 5¾	17¾	3.77	4.7	0.34	0.40	2.3	20.46	1.15
52	132	Great A&P Tea	467.7	27¾- 3½	22	1.57	14.0	0.12	0.40	1.8	17.63	0.80
361	584	Gt Northern Nekoosa	157.1	66½-19⅜	63	2.22	28.4	0.84	1.72	2.7	38.11	0.60
309	546	Gt Western Financial	175.9	48¼- 9½	40	6.94	5.8	0.44	1.20	3.0	29.82	0.75
507	345	Greyhound	109.7	38 -12⅝	32½	2.55	12.7	0.59	1.32	4.1	24.63	0.76
563	316	Grumman	92.8	36⅜-10½	26¾	2.36	11.3	0.26	1.00	3.7	20.69	0.77
589	562	GTE	82.4	63⅞-26⅛	58⅜	-0.78	def	0.81	3.66	6.3	32.31	0.55
130	215	Gulf & Western	306.3	72½-11¼	64½	3.40	19.0	1.15	0.90	1.4	29.15	0.45
891	712	Gulf States Utils	-33.7	16½- 7	7⅞	1.96	4.0	0.54	none	0.0	16.02	2.03
922	914	Halliburton	-53.7	52¾-17⅜	24⅛	-4.37	def	0.65	1.00	4.1	26.30	1.09
782	862	Handy & Harman	15.3	26⅜-12¼	20¾	-0.31	def	0.52	0.66	3.2	9.54	0.46
32	22	Hannaford Bros	596.9	40½- 4½	33⅞	2.01	16.9	0.36	0.50	1.5	11.43	0.34
141	142	Hanover Insurance	286.2	70 -12⅜	62¾	5.77	10.9	0.60	0.56	0.9	34.95	0.56
83	118	Harcourt Brace	396.5	38¾- 4½	30	1.97	15.2	1.11	0.40	1.3	8.95	0.30
725	828	Harnischfeger Inds	35.5	19¾- 5½	15¾	-1.94	def	0.33	none	0.0	16.95	1.08
865	887	Harris Corp	-22.8	51⅞-20⅜	31¾	1.56	20.4	0.60	0.88	2.8	22.37	0.70
556	451	Harsco	95.2	28⅞- 9⅞	25⅜	1.61	15.8	0.66	1.00	3.9	15.67	0.62
303	228	Hartford National	178.0	31¾- 8½	26⅞	2.97	9.0	1.20	1.20	4.5	16.55	0.62
363	121	Hartmarx	156.8	32 - 8	26¼	1.43	18.4	0.50	0.92	3.5	17.60	0.67
3	1	Hasbro	2,677.8	30⅞- ¾	23¼	1.75	13.3	0.85	0.09	0.4	8.19	0.35
393	369	Hawaiian Electric	148.0	35½-11¾	31	2.60	11.9	0.90	1.80	5.8	20.93	0.68
144	NR	Hechinger	282.2	24 - 4¾	18	0.83	21.7	1.03	0.06	0.3	5.65	0.31
771	648	Heck's	17.9	19⅜- 8½	12⅜	-1.73	def	0.19	0.04	0.3	10.22	0.83
524	515	G Heileman Brewing	105.2	44 -10½	24⅞	1.80	13.8	0.56	0.55	2.2	11.34	0.46
22	88	HJ Heinz	746.4	48¼- 8⅜	39½	1.12	35.4	1.20	1.00	2.5	5.08	0.13
NR	NR	Henley Group	NA	25¼-17¼	21	NA	NA	0.69	none	0.0	30.33	1.44
409	407	Hercules	143.1	60 -16⅞	55	3.73	14.7	1.17	1.76	3.2	27.13	0.49
157	78	Hershey Foods	270.8	30 - 5¾	22¼	1.39	16.0	1.00	0.54	2.4	7.74	0.35
515	564	Hewlett-Packard	108.2	49⅜-18	41¼	2.02	20.4	1.49	0.22	0.5	15.50	0.38
NR	NR	Highland Superstores	NA	39¼-17	24¼	1.35	18.0	0.74	none	0.0	5.14	0.21

Note: Except as indicated, price changes are from Dec. 31, 1981 to Nov. 18, 1986. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. †Price change does not reflect the value of shares received in a spinoff. ‡Three-year price change. NA: Not available. def: Deficit.

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
159	213	Hillenbrand Inds	269.4	49⅝–10⅝	46⅞	$2.29	20.5	1.50	$0.56	1.2%	$13.25	0.28
578	557	Hilton Hotels	86.2	80¼–27⅝	70¾	4.03	17.6	2.52	1.80	2.5	26.28	0.37
380	397	Holiday Corp	151.8*	75½–22⅝	70½	4.68	15.1	0.99	1.16	1.6	25.79	0.37
306	633	Holly Corp	177.1	21¼– 4⅞	18¾	3.16	5.9	0.22	none	0.0	5.18	0.28
602	NR	Home Federal S&L	79.5‡	38⅛–11¾	25⅛	5.01	5.0	0.45	0.20	0.8	33.78	1.34
NR	NR	Home Group	NA	31½–15½	17⅜	0.62	28.0	0.31	none	0.0	19.02	1.09
555	673	Honeywell	95.3	86½–29¾	68¼	4.89	14.0	0.44	2.00	2.9	56.08	0.82
184	178	George A Hormel	245.2	35 – 8	31½	1.93	16.3	0.33	0.56	1.8	16.22	0.51
736	651	Hospital Corp	30.9	56⅜–18⅜	33⅜	2.67	12.6	0.59	0.66	2.0	24.20	0.72
220	279	Household Intl	215.6	52½–14¾	48⅛	4.16	11.6	0.55	1.86	3.9	30.46	0.63
569	588	Houston Industries	89.0	37 –17½	34¼	3.81	9.0	1.05	2.80	8.2	25.88	0.76
383	272	Hubbell	151.4	36¼– 8½	27½	2.08	13.2	1.23	0.84	3.1	11.34	0.41
946	922	Hughes Tool	–80.7	44¾– 6¼	7¾	–9.06	def	0.48	0.08	1.0	16.80	2.17
726	467	Humana	35.4	36¼–12⅜	19¾	0.56	35.3	0.74	0.76	3.8	9.28	0.47
337	120	Huntington Bancshs	165.7	34⅜– 6⅞	24½	2.59	9.5	0.82	0.84	3.4	16.52	0.67
743	512	EF Hutton Group	27.4	54¼–17½	40	0.75	53.3	0.37	0.88	2.2	26.06	0.65
292	304	IC Industries	181.4	30⅜– 6¼	24⅜	–1.16	def	0.60	0.80	3.2	15.99	0.65
17	7	ICH	842.1	32⅜– 1⅞	22⅜	3.58	6.3	0.75	none	0.0	7.84	0.35
961	931	Ideal Basic Inds	–93.7	26 – 1⅜	1⅜	–28.09	def	0.07	none	0.0	–8.90	NE
696	612	Illinois Power	45.5	32 –17⅜	30	3.92	7.7	1.62	2.64	8.8	24.53	0.82
200	262	Illinois Tool Works	228.4	50 –12¼	47⅜	1.62	29.4	1.67	0.72	1.5	16.01	0.34
761	784	Imperial Corp of Am	23.4	19⅜– 4¾	14½	1.34	10.8	0.21	none	0.0	12.38	0.85
848	865	Inco	–14.9	18¾– 7⅞	12⅛	–0.19	def	0.85	0.20	1.6	9.77	0.81
822	837	Ingersoll-Rand	–2.2	68⅞–35½	55¼	4.00	13.8	0.40	2.60	4.7	50.02	0.91
860	805	Inland Steel Industries	–19.8	35 –14½	18¾	–4.25	def	0.18	none	0.0	34.54	1.84
638	683	Insilco	69.5	23⅜–10⅛	21¾	1.36	16.0	0.58	1.00	4.6	15.22	0.70
931	NR	Inspiration Resources	–62.2‡	15¼– 3⅞	4¼	–4.11	def	0.25	none	0.0	4.25	1.00
490	NR	Integrated Resources	118.0	46 – 8⅞	23¼	0.32	72.7	0.22	none	0.0	28.36	1.22
613	607	Intel	77.8	49½–10⅜	20	–1.56	def	1.89	none	0.0	12.25	0.61
608	596	interco	78.8	47⅜–17¾	42¼	3.03	13.9	0.49	1.60	3.8	35.31	0.84
948	904	InterFirst	–81.4	30½– 4¾	5	–3.92	def	0.18	none	0.0	17.60	3.52
242	NR	Intergraph	208.0	40½– 3⅞	19¼	1.25	15.4	1.78	none	0.0	7.28	0.38
486	480	Interlake	118.6	39½–10	38¼	2.65	14.5	0.56	1.30	3.4	31.42	0.82
194	NR	Intermark	232.9†	16⅜– 2¼	11½	–0.49	def	0.17	0.10	0.9	5.83	0.51
504	396	IBM	111.9	161⅞–55⅝	120½	9.89	12.2	1.44	4.40	3.7	51.98	0.43
540	565	Intl Flavors & Frag	100.0	48⅞–17⅜	39	2.23	17.5	2.44	1.16	3.0	11.52	0.30
849	861	Intl Minerals & Chem	–15.1	49 –23½	27½	–8.50	def	0.58	1.00	3.6	32.09	1.17
574	354	Intl Multifoods	87.5	31½–12¾	27½	1.92	14.3	0.27	1.18	4.3	18.51	0.67
592	695	International Paper	81.8	74⅜–32¾	71⅛	4.03	17.6	0.79	2.40	3.4	65.76	0.92
205	253	Interpublic Group	224.9	30½– 6⅜	26½	1.85	14.3	0.78	0.60	2.3	9.53	0.36
201	123	Interstate Bakeries	227.9	24½– 4½	23½	2.06	11.4	0.25	none	0.0	11.62	0.49
414	382	Iowa-Illinois G&E	141.7	46¾–17⅜	43½	3.85	11.3	1.03	2.90	6.7	28.35	0.65
471	597	Iowa Resources	123.0	27½–10¼	24¼	2.22	10.9	1.60	1.60	6.6	15.50	0.64
391	471	Ipalco Enterprises	148.2	29½–10⅛	25¾	1.96	13.1	1.96	1.52	5.9	14.75	0.57
567	530	Irving Bank	91.2	59¼–16⅜	48⅞	6.67	7.3	0.45	2.08	4.3	49.28	1.01
623	701	ITT	74.8	59½–20⅝	52	2.43	21.4	0.55	1.00	1.9	42.74	0.82
811	809	IU International	3.6	30⅜– 7⅞	14¼	–3.24	def	0.24	0.60	4.2	5.60	0.39
72	130	James River Corp Va	421.2	35 – 5⅞	30½	1.84	16.6	0.80	0.40	1.3	14.40	0.47
44	NR	Jamesway	485.3	31 – 3⅞	24⅞	1.43	17.4	0.30	0.12	0.5	14.16	0.57
285	182	Jefferson-Pilot	185.1	40½–10	32⅝	2.80	11.7	1.32	1.12	3.4	28.25	0.87
404	NR	Jefferson Smurfit	145.5‡	32¾– 7½	31	1.15	27.1	0.64	0.53	1.7	6.52	0.21
596	459	Jerrico	80.8	26⅜– 8⅞	19¼	1.30	14.8	0.72	0.12	0.6	9.42	0.49
152	531	Jim Walter	273.0	54⅜–10¼	46¼	4.64	10.0	0.63	1.40	3.0	34.81	0.75
620	603	Johnson & Johnson	75.8	74¼–28	65¼	2.00	32.6	1.68	1.40	2.1	18.33	0.28
379	541	Johnson Controls	152.0	65⅜–17½	61¾	4.71	13.1	0.45	2.12	3.4	37.90	0.61
841	675	Earle M Jorgensen	–13.3	31¾–18½	22¾	0.76	29.9	0.50	1.00	4.4	26.11	1.15
206	313	Jostens	223.8	19¼– 5⅜	18¾	0.97	19.4	1.12	0.48	2.6	4.66	0.25
875	858	Joy Manufacturing	–25.7	37¼–19	26	–4.73	def	0.67	1.40	5.4	23.88	0.92
653	517	JWT Group	64.2	41½– 9⅞	26	2.11	12.3	0.39	1.12	4.3	13.80	0.53
229	439	K mart	211.1	57⅜–15⅜	49	2.33	21.0	0.27	1.48	3.0	25.98	0.53
826	835	Kaiser Alum & Chem	–4.1	23¼–11½	14⅝	–3.09	def	0.30	none	0.0	23.31	1.59
140	112	Kaman	287.5	28 – 5¼	23¼	1.84	12.6	0.44	0.52	2.2	11.19	0.48
513	523	Kansas City P&L	108.8	32¼–14¼	30⅝	3.42	9.0	1.44	2.00	6.5	27.10	0.88

Note: Except as indicated, price changes are from Dec. 31, 1981 to Nov. 18, 1986. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. †Price change does not reflect the value of shares received in a spinoff. *Shares outstanding have declined by 10% or more in the last year. ‡Three-year price change. NA: Not available. NE: Negative equity. def: Deficit.

Who's where in the stock market

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
703	356	Kansas City Southern	42.7	71⅛–22⅜	48⅞	$0.09	NM	1.02	$1.08	2.2%	$42.81	0.88
240	326	Kansas Power & Light	208.1	65 –17⅝	57	5.05	11.3	0.80	3.16	5.5	31.01	0.54
361	628	Kaufman & Broad	157.1	25⅞– 4⅜	18	1.87	9.6	0.28	0.33	1.8	13.41	0.75
482	877	Kay	119.8*	27⅜– 6⅛	25½	3.38	7.5	0.15	0.24	0.9	17.16	0.67
118	143	Kellogg	323.3	58¾–10¼	47⅝	2.45	19.4	1.81	1.08	2.3	5.54	0.12
27	60	Kellwood	702.8	38¼– 4	36⅛	3.06	11.8	0.51	0.84	2.3	22.60	0.63
102	69	Kelly Services	351.7	61½– 7¾	53	2.24	23.7	0.85	0.70	1.3	7.99	0.15
455	430	Kemper	126.7	35½– 7⅝	24¾	3.30	7.5	0.47	0.60	2.4	19.18	0.77
NR	NR	Kenner Parker Toys	NA	24 –13⅞	20¾	0.08	NM	0.55	none	0.0	15.65	0.75
302	489	Kentucky Utilities	179.2	48⅛–15	43⅜	2.90	15.0	1.51	2.52	5.8	23.83	0.55
816	661	Kerr Glass Mfg	1.9	21¼– 9⅜	13¼	–0.86	def	0.19	0.44	3.3	10.99	0.83
863	772	Kerr-McGee	–21.4	42¼–22½	29⅜	–5.63	def	0.50	1.10	3.7	34.65	1.18
153	137	KeyCorp	272.9	30⅝– 5⅜	22⅜	2.84	7.9	0.71	1.00	4.5	16.53	0.74
706	581	Kidde	41.9	38½–17	33	1.12	29.5	0.30	1.20	3.6	32.05	0.97
415	274	Kimberly-Clark	141.1	92⅛–28⅜	79¼	5.64	14.1	0.86	2.48	3.1	38.07	0.48
NR	NR	KN Energy	NA	24¼– 4⅞	19¾	0.22	NM	0.53	1.48	7.5	15.17	0.77
230	235	Knight-Ridder	210.7*	57⅞–13⅜	47	2.36	19.9	1.44	0.88	1.9	12.38	0.26
215	231	Kraft	219.2†	65⅞–16⅛	54	2.95	18.3	0.81	1.72	3.2	19.96	0.37
646	827	Koppers	66.9	30⅛–11¼	28⅜	–2.18	def	0.57	0.80	2.8	15.41	0.54
469	363	Kroger	123.1	35 –11⅝	29	1.01	28.9	0.15	1.05	3.6	13.61	0.47
154	318	Laclede Gas	272.5	39¾– 9	37¼	3.74	10.0	0.53	2.10	5.6	19.83	0.53
852	NR	Lafarge	–18.5‡	12⅞– 6⅜	9⅜	0.61	15.4	0.39	0.20	2.1	9.29	0.99
231	670	Lear Siegler	209.9	92 –20⅛	89⅞	3.31	27.2	0.63	2.00	2.2	34.40	0.38
609	699	Leaseway Transport	78.7	49¾–23¾	47⅛	5.46	8.6	0.38	1.50	3.2	28.97	0.61
151	NR	Leggett & Platt	274.6	36⅜– 5	27⅝	1.96	14.1	0.81	0.40	1.4	10.05	0.36
NR	NR	Leslie Fay Cos	NA	17¾–11¼	11½	1.09	10.6	0.41	none	0.0	–0.74	NE
522	234	Life Investors	105.2	50 –23⅝	49	4.15	11.8	0.48	0.24	0.5	38.51	0.79
357	567	Eli Lilly	158.0	83½–22½	72¼	4.01	18.0	2.82	1.80	2.5	17.12	0.24
4	3	Limited	2,404.2	34¼– 1⅛	29¾	1.06	28.1	1.90	0.16	0.5	2.25	0.08
462	257	Lincoln National	125.8	62¼–16⅞	45⅞	4.93	9.3	0.36	2.16	4.7	40.27	0.88
667	788	Liquid Air	57.1	36½–14¾	27½	2.42	11.4	0.62	1.60	5.8	22.81	0.83
690	752	Litton Industries	47.6*	93½–34⅜	80	2.52	31.7	0.48	none	0.0	37.09	0.46
7	NR	Liz Claiborne	1,633.0	48½– 2	42¼	1.87	22.6	2.42	0.25	0.6	3.80	0.09
211	84	Lockheed	220.9	60⅛–14½	50	6.47	7.7	0.32	1.00	2.0	23.17	0.46
74	76	Loews	416.1	72⅜–10⅝	61¼	6.86	8.9	0.65	1.00	1.6	29.97	0.49
797	740	Lone Star Industries	10.4	36¼–17⅝	30½	1.51	20.2	0.51	1.90	6.2	34.00	1.11
853	884	Long Island Lighting	–18.6	18 – 3¾	11½	3.21	3.6	0.64	none	0.0	25.90	2.25
454	469	Longs Drug Stores	126.8	38¾–12⅜	32¾	1.73	18.9	0.46	0.76	2.3	13.33	0.41
692	804	Longview Fibre	46.9	36¼–14½	35¼	2.57	13.7	0.84	1.40	4.0	19.44	0.55
424	549	Loral	137.3	48¾–11½	39¾	2.31	17.2	1.38	0.60	1.5	13.06	0.33
179	NR	Lorimar-Telepictures	247.7	33⅜– 3½	19⅛	–0.43	def	1.22	none	0.0	7.17	0.37
807	NR	Louisiana Land	5.1‡	38 –22¼	28½	–1.44	def	0.99	1.00	3.5	20.63	0.72
598	720	Louisiana-Pacific	80.2	33⅜–12⅜	30⅛	1.46	20.6	0.78	0.80	2.7	21.20	0.70
443	507	Louisville Gas & Elec	129.5	44⅜–17⅛	39⅞	3.19	12.5	1.18	2.60	6.5	25.12	0.63
188	197	Lowe's Cos	238.2	41½– 6¼	25⅞	1.58	16.4	0.46	0.40	1.5	10.99	0.42
955	917	LTV	–88.5	19⅞– 1⅞	1⅞	–9.87	def	0.02	none	0.0	6.52	3.48
717	850	Lubrizol	37.4	35⅛–14¼	32⅝	1.92	17.0	1.33	1.20	3.7	13.09	0.40
389	519	Lucky Stores	149.5	37⅞–12½	32¾	1.18	27.8	0.23	1.16	3.5	12.56	0.38
791	691	Lukens	12.5	17½– 8¾	14⅝	0.60	24.4	0.18	0.48	3.3	23.46	1.60
920	901	M/A-Com	–52.5	35⅛–11⅝	12	0.29	41.4	0.91	0.24	2.0	10.68	0.89
918	NR	Mack Trucks	–51.8‡	22⅜– 9⅛	10¼	–1.70	def	0.17	none	0.0	17.04	1.66
69	39	Macmillan	425.0	54¼– 5⅜	41¼	2.43	17.0	1.18	0.60	1.5	11.06	0.27
768	260	Manhattan Industries	19.2	23⅞– 8¾	11⅞	0.16	74.2	0.15	0.20	1.7	13.66	1.15
108	NR	Manor Care	338.8	25½– 2⅜	17⅞	0.97	18.4	1.47	0.12	0.7	4.34	0.24
279	694	Manpower	187.3	45 –10½	39¾	–1.31	def	0.60	none	0.0	5.28	0.13
760	663	Manufacturers Hanover	23.5	57¾–22½	44	8.72	5.0	0.23	3.24	7.4	70.08	1.59
98	139	Manufacturers Natl	360.0	53½– 5⅞	40¼	5.22	7.7	0.71	1.44	3.6	34.96	0.87
951	930	Manville	–84.0	16⅜– 2	2⅜	2.49	1.0	0.03	none	0.0	32.95	13.87
594	793	Mapco	81.1*	58 –20½	55	4.23	13.0	0.69	1.00	1.8	20.57	0.37
533	411	Marine Midland Banks	102.2	56½–13⅜	46	6.77	6.8	0.38	2.04	4.4	57.07	1.24
125	173	Marriott	311.1	39 – 6⅜	29½	1.37	21.5	0.81	0.13	0.4	6.48	0.22
167	319	Marsh & McLennan	259.1	76¾–14¾	59¼	3.13	18.9	2.55	1.90	3.2	7.02	0.12
308	308	Marsh Supermarkets	176.4*	18⅛– 5¾	16⅛	1.31	12.3	0.10	0.40	2.5	9.09	0.56

Note: Except as indicated, price changes are from Dec. 31, 1981 to Nov. 18, 1986. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. †Price change does not reflect the value of shares received in a spinoff. *Shares outstanding have declined by 10% or more in the last year. ‡Three-year price change. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Who's where in the stock market

Rank 86	Rank 85	Company	5-year price change	1981-85 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
106	NR	Marshall & Ilsley	342.5	38¼– 6⅛	29½	$2.94	10.0	0.90	$0.80	2.7%	$18.03	0.61
382	553	Martin Marietta	151.6	48½– 9⅞	40¼	3.65	11.0	0.47	1.00	2.5	12.83	0.32
175	152	Maryland National	251.1	50⅞– 9½	40⅜	4.76	8.5	0.75	1.30	3.2	25.32	0.63
307	289	Masco	177.0†	34½– 6¾	25⅜	1.46	17.6	2.55	0.36	1.4	7.62	0.30
NR	NR	Masco Industries	NA	27¾– 3	19½	0.39	50.0	1.13	none	0.0	2.88	0.15
832	696	Mattel	–8.0	31½– 4⅞	10⅛	0.34	29.8	0.37	none	0.0	3.03	0.30
568	NR	Maxicare Health Plans	89.1‡	28½– 7⅛	15⅛	1.01	15.0	0.74	none	0.0	6.67	0.44
121	159	May Dept Stores	317.0	44⅛– 7⅜	34¾	2.30	15.1	0.54	1.04	3.0	15.88	0.46
23	NR	Mayflower Group	739.7	31¼– 3	30¾	1.28	24.0	0.27	0.80	2.6	11.32	0.37
181	216	Maytag	246.1	54⅞–11⅛	44⅛	2.62	16.8	1.10	1.78	4.0	12.96	0.29
259	158	MCA	194.6	56½–12¾	40⅝	2.43	16.7	1.32	0.68	1.7	18.69	0.46
481	431	McCormick	119.9	45⅛–17⅛	42⅞	2.39	17.9	0.54	0.88	2.1	21.38	0.50
910	890	McDermott Intl	–46.1	41⅞–13⅜	20½	5.96	3.4	0.23	1.80	8.8	32.57	1.59
227	147	McDonald's	211.7	76¾–17⅛	60⅜	3.64	16.6	1.90	0.66	1.1	16.66	0.28
336	598	McDonnell Douglas	166.0	91⅛–28⅛	79⅛	6.93	11.4	0.26	2.08	2.6	65.34	0.83
491	426	McGraw-Hill	117.9	63 –22⅛	56⅜	3.02	18.7	1.84	1.52	2.7	15.39	0.27
869	179	MCI Communications	–23.5	28½– 6	6½	0.40	16.3	0.54	none	0.0	5.59	0.86
611	535	McKesson	78.2	35⅛–14½	32¾	2.07	15.8	0.20	1.28	3.9	16.61	0.51
939	NR	McLean Industries	–72.1‡	15½– 2⅞	3	–6.00	def	0.09	none	0.0	6.97	2.32
932	794	MCorp	–63.1	34⅞–10⅞	11⅛	–1.73	def	0.21	1.40	12.6	26.46	2.38
403	569	Mead	145.7	60⅞–13½	56½	2.86	19.8	0.60	1.20	2.1	33.26	0.59
464	214	Media General	125.5	49½–16⅞	44¼	2.44	18.2	1.01	0.64	1.4	21.69	0.49
689	563	Mellon Bank	48.3	72½–27½	54½	7.35	7.4	0.43	2.76	5.1	60.47	1.11
248	217	Melville	204.6	73¼–18¼	57½	4.27	13.5	0.61	1.56	2.7	20.39	0.35
101	NR	MeraBank	355.8‡	50¼– 9⅛	50⅛	5.18	9.7	0.62	0.76	1.5	28.27	0.56
386	337	Mercantile Bancorp	150.0	37⅛–11	30	3.65	8.2	0.69	1.40	4.7	27.50	0.92
109	55	Mercantile Stores	338.5	117 –21⅜	98	7.31	13.4	0.74	1.50	1.5	46.01	0.47
421	589	Merck & Co	139.2	116¾–32	101⅜	4.55	22.3	3.62	2.20	2.2	18.77	0.19
209	129	Meredith	221.4	82¾–17⅝	67½	4.29	15.7	1.15	1.00	1.5	32.03	0.47
500	NR	Meridian Bancorp	112.6‡	27⅜– 9½	22½	2.40	9.4	0.79	1.00	4.4	15.63	0.69
881	NR	Meritor Financial Group	–27.8‡	13¼– 6⅞	8¼	–0.32	def	0.16	0.20	2.5	27.21	3.35
465	490	Merrill Lynch	124.9	56½–10½	37¼	3.20	11.6	0.45	0.80	2.1	22.98	0.62
NR	NR	Fred Meyer	NA	14⅜–13½	14¼	1.17	12.2	0.18	none	0.0	5.87	0.41
572	377	Michigan National	87.7	44 – 9¼	35⅜	3.44	10.4	0.57	1.20	3.4	28.15	0.79
799	795	Middle South Utils	7.9	16¼– 8¼	13⅜	1.87	7.3	0.80	none	0.0	19.10	1.40
145	99	Midlantic Banks	281.1	52⅛– 9⅞	42⅞	5.36	8.0	0.87	1.36	3.2	28.92	0.67
349	134	Herman Miller	160.9	31 – 6⅛	20	1.45	13.8	0.92	0.44	2.2	7.83	0.39
558	610	Minn Mining & Mfg	95.0	116 –48¾	106¼	6.45	16.5	1.44	3.60	3.4	34.98	0.33
1	6	Minstar	4,400.0	35½– ⅜	22½	2.23	10.1	0.37	none	0.0	13.50	0.60
913	905	Mitchell Energy	–47.9	33⅛– 9⅛	11	0.66	16.7	0.71	0.24	2.2	12.08	1.10
659	814	Mobil	62.2	39⅛–19½	39⅛	3.99	9.8	0.32	2.20	5.6	34.50	0.88
233	209	Mohasco	209.1	31⅞– 6½	25½	1.43	17.8	0.31	0.36	1.4	23.37	0.92
341	205	Monarch Capital	164.8*	79½–17	60¼	8.10	7.4	0.37	none	0.0	41.53	0.69
11	40	Monfort of Colorado	981.1	63 – 4⅜	50	5.84	8.6	0.14	none	0.0	21.24	0.42
515	643	Monsanto	108.2	79 –28¼	73	0.46	NM	0.80	2.60	3.6	44.39	0.61
682	734	Montana Power	51.5	43⅜–16⅝	38⅝	5.55	7.0	1.33	2.48	6.4	30.53	0.79
584	485	Moore Corp	84.1	27⅜– 8½	20¼	1.48	13.7	0.83	0.72	3.6	10.09	0.50
895	829	Moore McCormack	–34.3	29½–11⅜	19⅛	–13.66	def	0.42	0.52	2.7	39.21	2.05
252	338	JP Morgan	201.4	96 –22¾	81	9.33	8.7	1.05	2.45	3.0	47.40	0.59
NR	NR	Morgan Stanley Group	NA	82 –61⅜	70¾	7.80	9.1	0.74	0.70	1.0	15.70	0.22
237	NR	Morrison	208.4	25¾– 7⅜	24⅛	0.82	29.4	0.64	0.48	2.0	10.49	0.43
656	745	Morrison-Knudsen	63.8	52¼–15¾	43	3.81	11.3	0.21	1.48	3.4	37.77	0.88
468	757	Morse Shoe	123.4	39¼–10	31	1.67	18.6	0.29	0.80	2.6	24.46	0.79
199	92	Morton Thiokol	228.6	40½– 9¼	37⅜	2.77	13.5	0.91	0.76	2.0	17.46	0.47
579	593	Motorola	85.7	50 –16⅜	35¼	1.41	25.4	0.80	0.64	1.8	19.15	0.54
295	89	Munford	181.2	26⅞– 6⅛	21¼	0.95	22.4	0.17	0.54	2.5	13.92	0.66
850	854	Murphy Oil	–15.4	38⅞–15½	26	0.87	29.9	0.55	1.00	3.8	29.39	1.13
228	441	Nacco Industries	211.4	29¼– 6¾	27¼	3.83	7.1	0.44	0.50	1.8	16.80	0.62
800	756	Nalco Chemical	7.5	37 –18	27	1.68	16.1	1.45	1.20	4.4	9.81	0.36
154	149	Nash Finch	272.5	38¼–13½	37¼	2.67	14.0	0.13	1.05	2.8	21.03	0.56
331	689	Nashua	167.6	28⅛– 4¼	23¼	2.29	10.2	0.32	0.20	0.9	15.48	0.67
212	361	National City	220.8	49⅜–10⅜	43⅛	5.22	8.3	0.84	1.50	3.5	25.98	0.60
708	222	Natl Convenience	40.3	18½– 5⅜	9⅞	0.17	58.1	0.25	0.36	3.6	3.86	0.39

Note: Except as indicated, price changes are from Dec. 31, 1981 to Nov. 18, 1986. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. †Price change does not reflect the value of shares received in a spinoff. *Shares outstanding have declined by 10% or more in the last year. ‡Three-year price change. NA: Not available. NM: Not meaningful. def: Deficit.

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
612	657	National Distillers	78.0	47⅞–18⅞	42½	$2.27	18.7	0.64	$2.20	5.2%	$29.77	0.70
287	408	National Fuel Gas	184.0	41½–11¾	38¼	3.50	10.9	0.50	2.28	6.0	27.03	0.71
899	717	National Intergroup	-36.8	37⅝–13⅝	14¾	-2.57	def	0.08	0.25	1.7	38.54	2.64
582	577	National Medical	85.3	32⅞– 9¼	25¾	1.20	21.5	0.65	0.60	2.3	12.83	0.50
648	760	Natl Semiconductor	66.7	20 – 4⅛	10⅝	-1.13	def	0.61	none	0.0	7.25	0.68
168	133	National Service	258.6	39⅞– 8½	34⅛	2.17	15.7	0.87	0.96	2.8	12.72	0.37
847	715	National-Standard	-14.8	18 – 7⅛	12¼	0.48	25.5	0.19	0.40	3.3	22.35	1.82
866	918	Navistar International	-22.8	14¾– 2¾	5½	-0.18	def	0.18	none	0.0	-0.21	NE
183	194	NBD Bancorp	245.3	37½– 6⅝	27⅝	3.71	7.5	0.69	1.20	4.3	26.10	0.94
312	184	NCNB	175.6	27¾– 5⅞	20½	2.48	8.3	0.73	0.84	4.1	14.23	0.69
128	410	NCR	308.0	57 – 9⅝	44½	3.38	13.2	0.92	0.92	2.1	23.68	0.53
395	328	New England Electric	147.5	35⅛–11⅞	30¾	3.04	10.1	1.13	1.92	6.3	18.82	0.61
485	505	NY State Elec & Gas	119.2	38½–14	32⅞	3.76	8.7	1.40	2.64	8.0	24.65	0.75
63	93	New York Times	439.6	42 – 5⅜	34⅝	1.58	22.0	1.83	0.36	1.0	7.24	0.21
732	747	Newmont Mining	33.3	63⅜–27⅝	57½	1.68	34.2	2.24	1.00	1.7	46.29	0.81
707	504	Niagara Mohawk Power	41.4	25½–11⅞	17½	2.74	6.4	0.83	2.08	11.9	19.61	1.12
839	840	Nicor	-10.5	34½–19	29⅞	-3.61	def	0.45	1.80	6.0	13.33	0.45
829	642	NIKE	-6.2	28 – 6⅝	13¼	1.30	10.2	0.50	0.40	3.0	8.39	0.63
956	912	NL Industries	-88.7	39¾– 3⅜	4½	-5.42	def	0.33	none	0.0	12.61	2.80
56	70	Nordstrom	461.9	51¼– 6⅝	44¼	1.52	29.1	1.21	0.26	0.6	8.43	0.19
683	629	Norfolk Southern	51.1††	99⅛–40¼	82⅛	7.85	10.5	1.28	3.40	4.1	75.59	0.91
378	203	Norstar Bancorp	152.4	33 – 9⅝	26½	2.77	9.6	0.96	1.40	5.3	17.83	0.67
585	NR	Nortek	83.8	25⅜– 5⅞	17	2.66	6.4	0.21	0.08	0.5	17.87	1.05
540	446	North Amer Philips	100.0	48 –15	39	1.64	23.8	0.25	1.00	2.6	36.38	0.93
289	359	Northeast Utilities	183.6	28¼– 8¼	25⅞	2.80	9.2	1.37	1.68	6.5	16.21	0.63
798	811	No Indiana Pub Svc	9.1	15½– 8⅛	12	-0.42	def	0.50	none	0.0	13.73	1.14
288	309	No States Power	183.9	40⅛–11⅝	34¼	3.15	10.9	1.17	1.90	5.5	19.73	0.58
216	267	Northern Trust	218.4	47 –11¼	39	3.06	12.7	0.76	0.92	2.4	24.88	0.64
412	323	Northrop	142.7	56⅝–13⅛	42⅜	1.23	34.5	0.36	1.20	2.8	19.42	0.46
445	427	No'Western Natl Life	129.4	36½– 9¼	31¼	4.03	7.8	0.31	0.86	2.8	30.20	0.97
906	853	Northwestern Steel	-41.3	26¾– 8	14¾	0.41	36.0	0.31	none	0.0	21.05	1.43
840	868	Norton	-13.0	47⅞–23¾	37½	-6.28	def	0.66	2.00	5.3	24.84	0.66
681	750	Norwest	51.6	41⅜–17	36	3.28	11.0	0.46	1.80	5.0	36.77	1.02
686	623	Nucor	49.4	46⅛–11⅜	29¾	2.74	10.9	0.83	0.32	1.1	16.65	0.56
958	936	NVF	-91.2	3¾– ⅛	¼	-1.18	def	0.02	none	0.0	-1.11	NE
510	371	NWA	109.3	61⅛–22¼	56½	2.77	20.4	0.40	0.90	1.6	43.49	0.77
540	NR	Nynex	100.0‡	73¼–29¼	61½	5.94	10.4	1.13	3.48	5.7	41.30	0.67
790	739	Occidental Petroleum	13.0	36¾–17	27⅛	0.70	38.8	0.30	2.50	9.2	27.15	1.00
636	707	Ogden	69.9	48 –17½	44⅜	-0.66	def	0.95	1.80	4.1	15.08	0.34
411	NR	Ogilvy Group	142.9	42 – 9½	25½	2.03	12.6	0.65	0.80	3.1	10.23	0.40
597	355	Ohio Casualty	80.3	91 –30½	75½	7.79	9.7	0.63	3.00	4.0	47.78	0.63
624	618	Ohio Edison	74.2	22½– 9¾	20¼	2.44	8.3	1.68	1.92	9.5	16.29	0.80
405	450	Oklahoma Gas & Elec	145.1	38¾–13¾	34⅜	2.61	13.3	1.34	2.08	6.0	18.89	0.55
457	161	Old Republic Intl	126.3	42¼–12⅜	30½	4.00	7.6	0.38	0.78	2.6	27.81	0.91
593	483	Olin	81.8	53¼–15½	43⅜	3.33	13.1	0.59	1.60	3.7	29.89	0.69
783	NR	Omnicom Group	14.8	29 –13¾	20⅜	0.07	NM	0.67	0.98	4.8	7.03	0.35
748	798	Oneok	26.2	35 –23¾	34⅞	2.48	14.1	0.65	2.56	7.3	29.61	0.85
368	357	Orange & Rockland	155.1	40 –13⅛	34⅛	2.94	11.6	0.88	2.18	6.4	20.98	0.61
587	NR	Orion Capital	82.9	40¼–10¼	26¾	-1.86	def	0.36	0.76	2.8	23.37	0.87
269	83	Outboard Marine	191.3	38½– 7⅞	29⅛	0.66	44.1	0.51	0.64	2.2	22.77	0.78
NR	637	Owens-Corning	NA	12½– 9⅞	9⅞	1.46	6.8	0.08	none	0.0	31.70	3.21
290	378	Owens-Illinois	181.8	45¼–10⅜	41¾	3.06	13.6	0.69	0.95	2.3	25.67	0.61
384	64	Oxford Industries	150.3	25⅞– 4⅜	14	0.98	14.3	0.30	0.46	3.3	11.51	0.82
739	646	Paccar	29.0	60 –26¼	47½	2.68	17.7	0.48	1.40	2.9	39.40	0.83
441	470	Pacific Gas & Elec	129.8	27½–10	24⅛	2.65	9.1	1.09	1.92	8.0	18.05	0.75
629	390	Pacific Lighting	71.6	57½–22½	46¾	2.14	21.8	0.50	3.48	7.4	35.52	0.76
766	735	Pacific Resources	21.1	17⅜– 5⅝	16	1.54	10.4	0.28	none	0.0	8.74	0.55
580	NR	Pacific Telesis	85.6‡	62¼–25⅝	51½	4.88	10.6	1.24	3.04	5.9	34.08	0.66
539	615	PacifiCorp	100.7	38 –16¼	35⅞	3.27	11.0	1.19	2.40	6.7	23.84	0.66
499	420	PaineWebber Group	112.9	49⅛– 8¼	32¼	2.51	12.8	0.35	0.52	1.6	18.16	0.56
526	468	Pan Am	104.5	9½– 2⅜	5⅜	0.21	26.8	0.24	none	0.0	3.36	0.60
NR	812	Panhandle Eastern	NA	27⅜–24¼	25⅞	-8.94	def	0.54	2.00	7.7	37.89	1.46
655	526	Parker-Hannifin	63.9	30½– 9⅞	25	2.00	12.5	0.63	0.80	3.2	14.89	0.60

Note: Except as indicated, price changes are from Dec. 31, 1981 to Nov. 18, 1986. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. ††Four-year price change. ‡Three-year price change. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Who's where in the stock market

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
NR	NR	Pay'n Save	NA	16¼– 6¼	7	NA	NA	0.23	none	0.0%	NA	NA
480	301	Payless Cashways	120.0	34½– 7⅝	17⅞	$1.23	14.5	0.41	$0.16	0.9	$ 9.61	0.54
534	409	Penn Central	101.8	62½–20⅛	55½	2.56	21.7	0.89	none	0.0	45.32	0.82
150	464	Penn Traffic	276.2	24 – 5¾	23¾	1.74	13.6	0.19	0.68	2.9	14.00	0.59
305	320	JC Penney	177.7	86¼–25	79½	6.46	12.3	0.41	2.48	3.1	54.32	0.68
459	497	Pennsylvania P&L	126.3	43⅜–16½	38¾	2.87	13.5	1.33	2.60	6.7	25.58	0.66
571	614	Pennwalt	88.0*	59 –21½	50¾	2.27	22.4	0.47	2.20	4.3	28.88	0.57
692	666	Pennzoil	46.9	91 –23⅜	70½	–0.81	def	1.50	2.20	3.1	18.23	0.26
272	176	Pentair	188.5	32¾– 7¼	24	1.56	15.4	0.37	0.66	2.8	15.65	0.65
878	243	People Express	–26.7	25⅞– 2¾	2⅞	–11.32	def	0.06	none	0.0	6.24	2.17
313	322	Peoples Energy	175.0	23¾– 7	22	2.27	9.7	0.48	1.32	6.0	13.07	0.59
479	283	PepsiCo	120.6	35⅜–10⅜	26¼	1.65	16.2	0.77	0.64	2.4	6.98	0.26
NR	NR	Perini	NA	34 –23	27⅞	0.89	31.3	0.12	0.80	2.9	25.63	0.92
815	800	Perkin-Elmer	2.3	37½–17	27⅜	1.53	18.1	0.95	0.60	2.2	15.73	0.57
156	NR	Perry Drug Stores	271.3	20⅞– 3¾	12⅜	0.54	22.9	0.20	0.22	1.8	5.19	0.42
271	224	Petrie Stores	190.4	35¾– 8½	30⅛	1.74	17.3	1.22	0.70	2.3	10.20	0.34
492	465	Pfizer	117.8	72⅞–24⅞	58	3.79	15.3	2.18	1.64	2.8	17.87	0.31
912	879	Phelps Dodge	–47.2	34 –12⅞	17¾	0.92	19.3	0.56	none	0.0	28.65	1.61
727	559	PHH Group	34.9	47 –17¼	32⅜	2.28	14.2	0.60	1.04	3.2	16.43	0.51
643	655	Philadelphia Elec	67.9	24⅛– 9	22⅞	2.80	8.2	1.38	2.20	9.6	17.97	0.79
318	502	Philip Morris Cos	174.9	78 –22	67	5.82	11.5	0.79	2.30	3.4	19.85	0.30
864	849	Phillips Petroleum	–22.2	18¾– 7⅞	10½	1.24	8.5	0.21	0.60	5.7	8.47	0.81
73	46	Phillips-Van Heusen	420.6	44¼– 6¼	41	2.96	13.9	0.47	0.40	1.0	24.65	0.60
544	177	Piedmont Aviation	99.4	48⅞–18⅜	44⅞	3.60	12.5	0.47	0.32	0.7	29.86	0.67
164	175	Pillsbury	265.9	41¼– 8⅝	36¼	2.43	14.9	0.26	1.00	2.8	15.12	0.42
777	521	Pioneer Hi-Bred Intl	16.6	43¾–20¼	29⅞	2.31	12.9	1.08	1.04	3.5	14.47	0.48
71	240	Pitney Bowes	424.0	34¾– 5⅜	32¾	2.07	15.9	1.29	0.66	2.0	10.22	0.31
921	888	Pittston	–53.2	25½– 9⅜	11¾	0.22	53.4	0.37	none	0.0	13.22	1.13
570	434	Pittway	88.9	107½–41⅜	102	6.67	15.3	0.81	1.80	1.8	56.72	0.56
552	NR	PNC Financial	95.9‡	51 –15⅞	42	4.61	9.1	1.09	1.52	3.6	22.96	0.55
210	575	Polaroid	221.3	73⅝–16¾	65⅞	2.91	22.6	1.32	1.00	1.5	29.79	0.45
335	349	Ponderosa	167.0	26 – 8	24¼	1.22	19.9	0.46	0.40	1.6	14.98	0.62
358	473	Portland General	158.0	36¾–11⅞	32¼	3.00	10.8	1.84	1.96	6.1	20.13	0.62
600	742	Potlatch	79.8*	61 –19	53½	3.79	14.1	0.74	1.68	3.1	36.26	0.68
180	245	Potomac Electric	246.6	59¼–13¾	50¼	4.01	12.5	1.74	2.36	4.7	21.41	0.43
165	282	PPG Industries	263.6*	72 –14½	68⅝	5.10	13.5	0.89	1.92	2.8	28.77	0.42
NR	NR	Premark International	NA	21½–17½	20⅞	0.20	NM	0.37	0.20	1.0	NA	NA
313	2	Price Co	175.0††	55¾– 3	33	1.25	26.4	0.58	none	0.0	3.53	0.11
219	641	Primark	215.8	29 – 7	25	2.63	9.5	0.29	1.10	4.4	21.50	0.86
819	834	Prime Computer	0.0	30¼–10⅜	15¾	1.04	15.1	0.90	none	0.0	8.06	0.51
605	438	Procter & Gamble	79.2	82½–38	72	4.32	16.7	0.75	2.70	3.8	33.90	0.47
626	315	Provident Life & Acc	74.1	33 – 8⅜	24⅜	3.51	6.9	0.48	0.84	3.4	24.01	0.99
668	810	PS Group	57.0	35⅛–15	31	0.07	NM	0.27	0.60	1.9	32.21	1.04
762	609	Public Service Colo	22.8	24¼–13⅜	17½	1.50	11.7	0.54	2.00	11.4	17.15	0.98
868	906	Public Service Ind	–23.5	27½– 6⅞	15½	2.09	7.4	0.77	none	0.0	3.20	0.21
905	882	Public Service NH	–40.3	20 – 3½	8⅞	2.39	3.7	0.64	none	0.0	26.54	2.99
698	NR	Public Service NM	44.7	37⅞–19½	34⅜	3.30	10.4	2.01	2.92	8.5	25.73	0.75
436	476	Public Svc Enterprise	131.9	48¼–17⅜	41¾	4.19	10.0	1.24	2.96	7.1	28.61	0.69
64	81	Pueblo International	437.9	24⅜– 3⅜	19½	1.56	12.5	0.11	0.20	1.0	14.07	0.72
649	660	Puget Sound P&L	66.3	25¼– 9¼	21⅛	1.83	11.8	1.47	1.76	8.1	15.70	0.73
273	NR	Pullman-Peabody	188.3††	10⅝– ⅝	7¾	0.40	19.4	0.64	0.12	1.5	1.54	0.20
169	91	Pulte Home	257.3	37½– 3¼	13⅝	0.76	17.9	0.40	0.12	0.9	7.19	0.53
874	815	Purolator Courier	–25.7	70 –15	26¾	–6.24	def	0.25	none	0.0	23.28	0.87
113	115	Quaker Oats	333.6	42⅜– 8	38¾	2.33	16.6	0.81	0.85	2.2	10.65	0.27
502	688	Quaker State Oil	112.1	30 – 9⅞	26¼	2.08	12.6	0.75	1.00	3.8	13.05	0.50
431	653	Questar	135.2	39 –12⅜	37⅜	2.49	15.1	1.15	1.80	4.8	23.19	0.62
432	248	Rainier Bancorp	132.4	43¾– 8⅝	31⅜	3.33	9.4	0.78	1.08	3.4	24.68	0.79
53	80	Ralston Purina	466.7	77 –10⅞	68	5.37	12.7	0.94	1.10	1.6	11.53	0.17
784	706	Ramada Inns	14.3	11⅞– 4¼	7	0.28	25.0	0.43	none	0.0	7.22	1.03
710	693	Raychem	39.6	140 –37	82⅜	4.75	17.3	1.15	0.44	0.5	39.44	0.48
630	767	Raytheon	71.2	67⅜–28¼	64	5.03	12.7	0.71	1.80	2.8	24.84	0.39
377	242	Reichhold Chemicals	152.7	43⅛–10	28¾	–3.38	def	0.27	0.80	2.8	24.14	0.84
NR	NR	Reliance Group Holding	NA	10⅝– 8⅛	8⅛	0.12	67.7	0.21	0.16	2.0	3.90	0.48

Note: Except as indicated, price changes are from Dec. 31, 1981 to Nov. 18, 1986. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. *Shares outstanding have declined by 10% or more in the last year. ††Four-year price change. ‡Three-year price change. NA: Not available. NM: Not meaningful. def: Deficit.

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
521	525	Republic New York	105.3	52½–14⅞	52	$4.81	10.8	1.03	$1.12	2.2%	$29.29	0.56
902	700	RepublicBank	–38.6	38¼–21½	22½	2.53	8.9	0.31	1.64	7.3	39.65	1.76
531	538	Research-Cottrell	102.5	32⅜– 9¾	30⅞	2.17	14.2	0.52	0.32	1.0	18.80	0.61
275	493	Resorts International	188.0	77 –15⅛	47⅞	–1.77	def	0.74	none	0.0	20.73	0.43
440	413	Revco DS	130.1*	39⅞–14¼	37	1.65	22.4	0.43	0.80	2.2	12.11	0.33
694	817	Revere Copper	46.6	21¾– 4¾	21⅝	–5.26	def	0.39	none	0.0	10.79	0.50
221	297	Revlon Group	215.2	19¼– 3	13	–0.44	def	0.34	none	0.0	3.24	0.25
796	816	Rexnord	10.6	22¼– 8½	17	1.23	13.8	0.38	0.44	2.6	18.82	1.11
573	748	Reynolds Metals	87.5	52⅜–18¾	45	2.32	19.4	0.27	1.00	2.2	45.43	1.01
460	362	Riggs National	125.9	41½– 9¼	30½	2.79	10.9	0.93	1.10	3.6	20.72	0.68
255	335	Rite Aid	198.7	35½– 9	28½	1.71	16.7	0.71	0.58	2.0	9.65	0.34
372	583	RJR Nabisco	154.0†	55⅛–16	47⅞	3.79	12.6	0.73	1.60	3.3	19.14	0.40
621	676	RLC	75.0††	11¼– 3⅞	10½	0.73	14.4	0.45	0.20	1.9	6.05	0.58
613	484	Roadway Services	77.8	45¾–15¼	34	1.88	18.1	0.79	1.10	3.2	15.37	0.45
934	702	HH Robertson	–63.3	48½–11¼	11¼	–6.68	def	0.11	none	0.0	22.38	1.99
871	778	AH Robins	–24.0	29⅜– 5½	9⅛	2.99	3.1	0.29	none	0.0	–1.95	NE
640	429	Rochester Gas & Elec	68.5	29⅞–10	24⅛	3.24	7.4	0.92	2.20	9.1	23.79	0.99
401	561	Rockwell Intl	145.8	48⅞–12½	40¼	4.12	9.8	0.48	1.20	3.0	19.53	0.49
207	202	Rohm & Haas	222.1	36¾– 7⅝	32¾	1.94	16.9	1.09	0.80	2.4	13.59	0.41
88	85	Rohr Industries	378.0	36⅜– 6⅞	29⅞	2.70	11.1	0.84	none	0.0	17.80	0.60
NR	NR	Rollins	NA	18¼– 4⅛	16⅜	0.82	20.0	1.21	0.48	2.9	1.61	0.10
62	250	Roper Corp	446.3*	39⅜– 4⅞	36⅞	3.49	10.6	0.28	0.96	2.6	15.88	0.43
466	360	Rorer Group	124.8	47½–16⅝	40¾	6.49	6.3	1.31	1.16	2.8	12.28	0.30
28	35	Rose's Stores	677.8	23 – 1⅞	17½	1.32	13.3	0.31	0.21	1.2	7.84	0.45
85	43	Rubbermaid	393.5	28½– 4⅜	22¾	0.93	24.5	2.19	0.28	1.2	4.16	0.18
449	305	Ruddick	128.6	18⅝– 6	15	1.40	10.7	0.15	0.44	2.9	11.41	0.76
396	725	Ryan Homes	147.3	50¾–12	46⅜	3.43	13.5	0.53	1.20	2.6	21.86	0.47
162	239	Ryder System	266.9	34⅜– 7⅛	32⅞	2.02	16.3	0.69	0.44	1.3	12.17	0.37
258	154	Rykoff-Sexton	195.7	32⅜– 7¾	25⅞	1.01	25.6	0.17	0.60	2.3	13.05	0.50
78	NR	Ryland Group	400.8	27⅝– 2⅝	18	1.88	9.6	0.35	0.40	2.2	6.54	0.36
326	259	Safeco	169.6	64 –14⅞	53¼	6.66	8.0	0.72	1.70	3.2	32.87	0.62
96	294	Safeway Stores	367.0	67⅛–12⅝	61⅞	2.89	21.4	0.19	1.70	2.7	26.67	0.43
685	403	St Paul Cos	50.4	54⅛–17⅞	36¾	3.79	9.7	0.55	1.50	4.1	25.25	0.69
253	150	Salomon	201.0	59⅜–10	39⅛	3.80	10.3	0.23	0.64	1.6	19.93	0.51
280	329	San Diego Gas & Elec	187.0	42½–11¾	35⅞	3.54	10.1	1.19	2.38	6.6	20.65	0.58
752	NR	Santa Fe Southern	25.2‡	39⅝–20¼	32⅞	1.53	21.5	0.90	1.00	3.0	33.97	1.03
117	94	Sara Lee	323.8	38⅞– 7½	33⅜	2.07	16.1	0.44	1.00	3.0	11.29	0.34
352	28	Savannah Foods	160.0	37½– 8½	22¾	2.03	11.2	0.24	0.88	3.9	16.01	0.70
937	909	Savin	–67.7	10⅞– 1⅝	2⅝	–4.67	def	0.15	none	0.0	–4.34	NE
355	461	Scana	158.3	42⅞–14½	38¾	2.92	13.3	1.42	2.24	5.8	20.01	0.52
299	604	Schering-Plough	179.9	88 –26¼	78⅜	4.18	18.8	2.13	1.80	2.3	28.59	0.36
908	895	Schlumberger	–43.2	62⅝–27¼	31¾	–0.69	def	1.67	1.20	3.8	23.24	0.73
422	278	SCI Systems	138.2	30½– 5¼	16⅞	1.03	16.4	0.51	none	0.0	8.29	0.49
149	350	Scott Paper	278.1*	66⅜–13⅜	60½	4.87	12.4	0.67	1.36	2.2	32.60	0.54
751	NR	Scotty's	25.8	21⅛– 8⅛	12¾	0.84	15.2	0.37	0.52	4.1	11.65	0.91
225	334	Seagram	213.0	64 –14½	60⅛	4.30	14.0	2.53	1.00	1.7	37.31	0.62
652	389	Sealed Power	65.1	32⅜–12½	26⅝	2.26	11.8	0.50	1.10	4.1	20.86	0.78
360	266	Sears, Roebuck	157.4	50⅜–15½	41½	3.67	11.3	0.36	1.76	4.2	31.70	0.76
525	339	Seaway Food Town	104.7*	23½– 8	22	0.97	22.7	0.09	0.68	3.1	19.19	0.87
512	387	Security Pacific	109.1	40¼–10¼	35½	4.68	7.6	0.47	1.48	4.2	29.90	0.84
634	271	Service Merchandise	70.2	27 – 4¾	10	–1.19	def	0.14	0.08	0.8	9.85	0.99
564	333	ServiceMaster Inds	92.6	30⅞–10½	23¾	1.04	22.8	0.71	0.88	3.7	2.33	0.10
586	682	Shaklee	83.2	42¼– 7	21¾	4.48	4.9	0.71	0.72	3.3	12.59	0.58
21	29	Shaw Industries	751.9	23⅜– 1¾	18⅜	1.45	12.7	0.54	0.40	2.2	8.29	0.45
350	238	Shawmut	160.8	55½–15⅝	48¼	5.26	9.2	0.85	1.84	3.8	37.43	0.78
NR	NR	Shaw's Supermarkets	NA	23½–19	20¾	1.24	16.7	0.26	none	0.0	6.05	0.29
87	66	Sherwin-Williams	386.4	32¼– 4½	26¾	1.75	15.3	0.53	0.50	1.9	10.10	0.38
139	NR	Shoney's	294.6	31 – 5⅜	25¾	1.18	21.8	1.55	0.14	0.5	6.10	0.24
112	63	Signet Banking	333.9	38½– 7	32	3.42	9.4	0.89	1.24	3.9	17.97	0.56
274	165	Singer	188.3†	59⅞–11⅛	40	4.28	9.3	0.41	0.40	1.0	23.89	0.60
835	738	Skyline	–8.4	30¾–11½	13⅝	0.94	14.5	0.49	0.48	3.5	11.32	0.83
322	265	AO Smith	172.2	32⅛– 4⅞	22	3.80	5.8	0.20	0.80	3.6	25.01	1.14
959	939	Smith International	–92.6	45¾– 1¼	3⅜	–13.70	def	0.15	none	0.0	8.07	2.39

Note: Except as indicated, price changes are from Dec. 31, 1981 to Nov. 18, 1986. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. †Price change does not reflect the value of shares received in a spinoff. *Shares outstanding have declined by 10% or more in the last year. ††Four-year price change. ‡Three-year price change. NA: Not available. NE: Negative equity. def: Deficit.

Who's where in the stock market

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
31	103	**Smithfield Foods**	604.3	23 – 2¼	20⅛	$1.76	11.5	0.06	none	0.0%	$7.98	0.39
755	763	**SmithKline Beckman**	24.6	105⅛–50	84¼	6.51	12.9	1.80	$3.00	3.6	29.34	0.35
400	433	**Snap-on Tools**	146.1	32⅛– 8¼	26	1.57	16.6	1.67	0.64	2.5	8.24	0.32
218	207	**Society**	216.7	71½–14¼	57	6.94	8.2	0.70	1.92	3.4	43.58	0.76
859	733	**Sonat**	–19.6	43⅛–19⅞	27⅛	–2.10	def	0.53	2.00	7.4	33.62	1.24
239	155	**Sonoco Products**	208.2	41 –10½	37⅜	2.41	15.5	0.87	0.80	2.1	13.51	0.36
890	NR	**Soo Line**	–32.5	36⅞–19	20	–1.01	def	0.30	none	0.0	32.44	1.62
498	448	**Southeast Banking**	112.9	46½–13⅜	39⅛	4.37	9.0	0.67	1.20	3.1	28.63	0.73
442	449	**So Calif Edison**	129.6	38¾–14	33	3.32	9.9	1.36	2.28	6.9	21.11	0.64
506	506	**Southern Company**	110.4	27¼–11⅜	25⅛	3.16	8.0	1.03	2.14	8.5	19.83	0.79
398	269	**So New England Telecom**	146.9	61½–20⅝	54	4.21	12.8	1.22	2.80	5.2	31.24	0.58
917	768	**Southern Union**	–50.6	31 –10⅜	11	–2.22	def	0.47	0.80	7.3	16.66	1.51
392	201	**Southland**	148.0	57 –17	52½	4.39	12.0	0.27	1.12	2.1	29.64	0.56
394	188	**Southmark**	147.8	14 – 2⅝	8½	1.21	7.0	0.62	0.24	2.8	10.08	1.19
566	287	**Southwest Airlines**	91.6	35¼–10¾	22⅛	1.45	15.3	0.95	0.13	0.6	14.45	0.65
772	894	**Southwest Forest Ind**	17.7	22½– 7¼	18¼	–1.79	def	0.36	none	0.0	18.81	1.03
433	NR	**Southwest Gas**	132.4	21⅜– 8⅜	19¾	1.57	12.6	0.54	1.28	6.5	12.45	0.63
591	NR	**Southwestern Bell**	82.2‡	116⅜–55	107¼	9.75	11.0	1.35	6.40	6.0	74.25	0.69
386	351	**Southwestern Pub Svc**	150.0	37⅞–11⅝	32½	2.75	11.8	1.64	2.12	6.5	14.01	0.43
671	NR	**Sovran Financial**	55.4‡	44½–16⅞	33⅛	3.23	10.3	1.01	1.36	4.1	18.21	0.55
501	358	**Springs Industries**	112.2	56⅞–20	49⅞	2.64	18.9	0.30	1.52	3.0	50.06	1.00
676	626	**Square D**	53.7	50 –21¾	44⅜	3.05	14.5	0.92	1.84	4.1	21.00	0.47
226	252	**Squibb**	212.6	124⅛–28⅞	102⅛	4.92	20.8	2.93	2.00	2.0	27.41	0.27
NR	NR	**SSMC**	NA	17½–11½	13⅞	NA	NA	0.14	none	0.0	NA	NA
754	770	**Staley Continental**	24.7	33⅜–15⅜	27¾	0.88	31.5	0.27	0.80	2.9	23.05	0.83
575	432	**Stanadyne**	87.1	43¾–10½	36¼	2.82	12.9	0.70	1.08	3.0	21.47	0.59
283	273	**Std Commercial Tob**	185.7	25 – 7¼	22	2.46	8.9	0.21	0.44	2.0	20.12	0.91
787	824	**Standard Oil**	13.6	58⅞–26½	47⅛	–4.89	def	1.04	2.80	5.9	34.18	0.73
487	495	**Stanley Works**	118.6	30⅞– 8½	25½	1.94	13.1	0.74	0.76	3.0	12.03	0.47
34	18	**State Street Boston**	576.8	28⅞– 3¾	26⅛	1.80	14.5	1.46	0.36	1.4	9.48	0.36
NR	NR	**Stater Brothers**	NA	23¼– 9¼	18	1.48	12.2	0.09	none	0.0	1.69	0.09
532	516	**Sterling Drug**	102.2	52 –19¾	45	2.08	21.6	1.37	1.32	2.9	15.75	0.35
493	460	**JP Stevens**	116.4	37⅜–12⅜	34⅝	2.28	15.2	0.39	1.20	3.5	28.78	0.83
928	789	**Stewart & Stevenson**	–57.6	21⅜– 9⅜	12⅞	–4.76	def	0.23	none	0.0	15.32	1.19
774	677	**Stewart-Warner**	17.5	36 –20¼	27¾	1.01	27.5	0.66	1.68	6.1	25.76	0.93
135	244	**Stone Container**	302.3	58⅞–12½	53½	0.50	NM	0.47	0.60	1.1	21.34	0.40
45	32	**Stop & Shop Cos**	485.2	62⅜– 7⅛	51½	3.08	16.7	0.18	1.10	2.1	29.38	0.57
960	945	**Storage Technology**	–92.9	36⅛– 1	2½	0.44	5.7	0.13	none	0.0	–1.57	NE
30	26	**Strawbridge & Clothier**	618.4	63½– 5⅛	43½	3.28	13.3	0.41	0.93	2.1	22.63	0.52
371	NR	**Student Loan**	154.0‡	66⅜–21	63½	2.92	21.7	1.75	0.36	0.6	10.32	0.16
92	15	**Subaru of America**	372.9	39 – 3¾	23½	1.86	12.6	0.60	0.38	1.6	5.41	0.23
236	498	**Sun Chemical**	208.9	84¼–13¼	73¾	3.07	24.0	1.13	0.48	0.7	24.61	0.33
767	732	**Sun Company**	19.2	59½–26¾	54¼	6.62	8.2	0.52	3.00	5.5	47.85	0.88
749	779	**Sundstrand**	26.2	64⅜–23¼	53	4.27	12.4	0.70	1.80	3.4	31.56	0.60
NR	NR	**SunTrust Banks**	NA	28 –15½	20⅞	1.88	11.1	1.08	0.64	3.1	10.72	0.51
51	56	**Super Food Services**	469.3	27¾– 3¼	19⅞	1.48	13.4	0.09	0.32	1.6	10.28	0.52
844	NR	**Super Rite Foods**	–14.0‡	27¼–11¼	12¼	0.47	26.1	0.10	0.20	1.6	6.08	0.50
477	192	**Super Valu Stores**	121.6	27⅞– 7¾	21¾	1.13	19.2	0.19	0.42	1.9	7.20	0.33
46	50	**Supermarkets General**	484.4	32⅛– 4⅛	28⅛	1.80	15.6	0.21	0.28	1.0	9.63	0.34
270	156	**Sysco**	191.1	33⅞– 9¼	28¾	1.38	20.8	0.38	0.28	1.0	9.01	0.31
86	110	**Talley Industries**	393.1	24¼– 3⅜	17⅞	1.63	11.0	0.32	0.30	1.7	14.02	0.78
753	831	**Tandem Computers**	24.8	40¼–12⅞	34⅝	1.44	24.0	1.95	none	0.0	10.16	0.29
775	570	**Tandy**	17.0	64½–22¾	39½	2.23	17.7	1.13	0.50	1.3	14.57	0.37
NR	NR	**TCF Banking & Savings**	NA	15¾–11¼	12⅛	1.80	6.7	0.14	none	0.0	29.14	2.40
419	456	**TECO Energy**	140.0	54⅞–17⅝	48	3.49	13.8	1.52	2.52	5.3	25.72	0.54
561	405	**Tecumseh Products**	93.5	130 –52½	120	9.63	12.5	0.81	3.20	2.7	88.02	0.73
779	797	**Tektronix**	16.1	86¾–34	63⅞	2.56	25.0	0.92	1.00	1.6	43.42	0.68
82	NR	**Tele-Communications**	397.9	29⅛– 3⅛	22⅞	0.86	26.6	3.56	none	0.0	3.92	0.17
478	442	**Teledyne**	121.3†	367¾–69½	306½	24.76	12.4	1.11	none	0.0	134.72	0.44
16	10	**Telex**	857.7	69 – 5¼	62¼	4.91	12.7	1.19	none	0.0	18.55	0.30
641	NR	**Temple-Inland**	68.3‡	59⅛–25⅜	55⅛	3.06	18.0	1.08	0.72	1.3	35.72	0.65
781	821	**Tenneco**	15.3	45¼–22⅞	38⅝	–0.22	def	0.38	3.04	7.9	39.71	1.03
911	880	**Tesoro Petroleum**	–46.3	24½– 7½	10¾	–9.76	def	0.10	none	0.0	21.29	1.98

Note: Except as indicated, price changes are from Dec. 31, 1981 to Nov. 18, 1986. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. †Price change does not reflect the value of shares received in a spinoff. ‡Three-year price change. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Who's where in the stock market

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
805	839	Texaco	6.1	48⅜–26	35	$4.09	8.6	0.23	$3.00	8.6%	$57.04	1.63
40	606	Texas Air	520.0	40⅞– 4	34⅞	0.45	NM	0.48	none	0.0	5.56	0.16
916	741	Texas American Bcshs	–50.0	45¾–14⅜	16⅞	–9.42	def	0.29	0.40	2.4	34.80	2.06
897	803	Texas Commerce Bcshs	–34.6	48¼–16½	25¼	0.37	68.2	0.49	1.56	6.2	36.02	1.43
785	774	Texas Eastern	13.8	41⅛–18½	29⅞	–2.27	def	0.35	1.00	3.3	27.41	0.92
780	NR	Texas Industries	15.3	41½–14¾	25⅛	1.26	19.9	0.32	0.80	3.2	24.03	0.96
709	783	Texas Instruments	39.9	176 –70½	112⅝	–1.42	def	0.59	2.00	1.8	56.73	0.50
647	543	Texas Utilities	66.9	37½–19⅛	32¾	4.32	7.6	1.17	2.68	8.2	29.46	0.90
452	522	Textron	127.2	65¼–17¼	60½	6.29	9.6	0.49	1.80	3.0	40.07	0.66
90	NR	Third National	375.9	39¼– 6⅞	33⅞	0.03	11.9	1.23	0.76	2.2	16.43	0.49
867	785	Thorn Apple Valley	–23.1	9¾– 3¾	5	–1.13	def	0.03	none	0.0	7.84	1.57
933	698	TIE/Communications	–63.2	40⅜– 2¾	3½	–1.01	def	0.40	none	0.0	5.89	1.68
930	910	Tiger International	–62.0	14½– 3⅝	5⅛	–3.01	def	0.14	none	0.0	–0.15	NE
715	NR	Time Inc	38.0‡	91⅜–33¾	71¾	6.53	11.0	1.23	1.00	1.4	19.28	0.27
329	284	Times Mirror	168.9	73⅞–17¾	61½	5.68	10.8	1.35	1.50	2.4	15.12	0.25
894	836	Timken	–34.2	68¼–39½	42⅝	–4.14	def	0.49	1.00	2.3	64.83	1.52
855	680	Todd Shipyards	–18.8	41¾–18¼	22¾	–0.02	def	0.21	1.32	5.8	31.50	1.38
NR	NR	Tops Markets	NA	25¾–18	19½	1.59	12.3	0.14	none	0.0	10.99	0.56
115	57	Torchmark	326.6†	38½– 5⅜	28	2.80	10.0	1.30	0.80	2.9	12.29	0.44
196	622	Toro	231.7	29⅛– 5⅜	24⅞	2.09	11.9	0.39	0.50	2.0	9.51	0.38
953	938	Tosco	–86.9	18⅜– 1	2⅛	–0.62	def	0.06	none	0.0	–13.81	NE
95	25	Toys "R" Us	369.9	34⅜– 5⅜	27½	0.92	29.9	1.63	none	0.0	5.81	0.21
718	587	Tracor	37.2	28¼–10¼	18⅞	0.20	NM	0.61	0.36	1.9	10.11	0.54
610	NR	Trans World Airlines	78.3‡	28 – 7⅛	20½	–9.11	def	0.18	none	0.0	10.67	0.52
695	488	Transamerica	46.5	40⅛–16½	34¼	3.48	9.8	0.43	1.76	5.1	29.12	0.85
825	780	Transco Energy	–3.8	63½–23⅛	44¼	–0.38	def	0.29	2.72‡‡	6.1‡‡	32.24	0.73
NR	NR	Transworld Corp	NA	42⅝–15¾	38¼	3.36	11.4	0.68	0.40	1.0	14.25	0.37
548	290	Travelers	96.6	59½–16½	43⅛	4.80	9.0	0.28	2.16	5.0	41.58	0.96
18	NR	Triangle Industries	827.4	31⅜– 2½	26⅜	3.66	7.2	0.14	0.12	0.5	5.58	0.21
559	NR	Tribune	94.7‡	78 –24	59⅝	7.71	7.7	1.21	1.00	1.7	22.37	0.38
808	881	Trinity Industries	4.6	25⅝– 9	17	0.40	42.5	0.59	0.50	2.9	10.22	0.60
241	424	Trinova	208.1	54⅛–13⅛	47¾	7.07	6.8	0.45	1.00	2.1	31.16	0.65
642	652	TRW	68.3*	110 –45⅝	92⅛	4.83	19.1	0.45	3.20	3.5	33.85	0.37
678	352	Turner	52.0	31⅜–10⅜	21	2.01	10.4	0.04	1.30	6.2	16.69	0.79
42	466	Tyco Laboratories	518.1	42½– 5	38¼	2.27	16.9	0.76	0.40	1.0	11.52	0.30
810	510	Tyler	4.3	17¾– 6	12¼	0.69	17.8	0.24	0.40	3.3	10.89	0.89
6	17	Tyson Foods	1,746.2	38⅛– 1⅛	24	1.18	20.3	0.68	0.04	0.2	3.64	0.15
185	237	UAL	244.7	64¾–15⅛	56⅞	1.00	56.9	0.33	1.00	1.8	43.93	0.77
813	851	UGI	2.9	28¼–16½	26⅞	–3.30	def	0.48	2.04	7.6	19.44	0.72
517	571	Union Camp	107.6	56¾–21	51½	2.20	23.4	1.28	1.64	3.2	26.88	0.52
729	667	Union Carbide	34.3	33⅛–10⅞	23	5.95	3.9	0.31	1.50	6.5	19.82	0.86
309	NR	Union Electric	175.9	31⅜–10¾	30	2.85	10.5	1.72	1.92	6.4	18.50	0.62
788	852	Union Pacific	13.5	63 –29¼	59	–4.56	def	0.89	1.80	3.1	39.93	0.68
448	704	Unisys	128.7	80¾–29⅜	77¾	5.53	14.1	0.54	2.60	3.3	54.71	0.70
12	NR	United Artists Commun	971.7	21¾– 1¼	16¾	0.22	76.1	1.34	0.04	0.2	2.62	0.16
756	NR	United Banks of Colo	24.4	35½–13	25½	2.51	10.2	0.55	1.08	4.2	27.56	1.08
330	602	United Brands	168.8	36¾– 6½	32¼	3.22	10.0	0.16	0.05	0.2	23.46	0.73
896	NR	United Financial Group	–34.5	12⅞– 2	2⅜	–1.39	def	0.03	none	0.0	13.92	5.86
618	619	United Illuminating	76.5	36¼– 9	32⅞	5.84	5.6	0.93	2.32	7.1	37.15	1.13
313	108	United Merchants	175.0	21½– 3½	11	–3.95	def	0.13	none	0.0	12.65	1.15
644	574	US Bancorp	67.6	27⅜– 8⅛	22¾	2.50	9.1	0.82	0.80	3.5	19.19	0.84
888	900	US Home	–30.9	20¾– 4¾	4¾	–2.33	def	0.22	none	0.0	7.76	1.63
321	75	US Shoe	172.7	27⅜– 5⅜	22¾	0.95	23.9	0.52	0.46	2.0	10.86	0.48
356	NR	US Tobacco	158.0	45½–14⅛	40¾	3.63	11.2	2.25	1.96	4.8	11.64	0.29
297	NR	United Stationers	180.4	28¾– 4⅜	15¼	0.96	15.9	0.37	0.24	1.6	5.72	0.38
508	611	United Technologies	109.6	56¼–15⅝	43¾	3.42	12.8	0.37	1.40	3.2	31.38	0.72
746	647	United Telecom	26.4	31¼–15¾	27½	0.01	NM	0.85	1.92	7.0	17.41	0.63
238	138	United Virginia Bksh	208.4	35⅞– 8⅜	29⅞	2.86	10.4	0.95	0.92	3.1	16.80	0.56
NR	514	Univar	NA	15½– 9⅜	11¼	0.59	19.1	0.12	0.20	1.8	8.03	0.71
334	281	Universal Foods	167.1	28 –10¼	27⅜	1.42	19.3	0.47	0.80	2.9	12.43	0.45
426	631	Universal Leaf	137.1	31 –11⅛	28¾	2.67	10.8	0.37	1.08	3.8	17.08	0.59
893	845	Unocal	–33.9*	51 –15⅝	24⅞	0.28	NM	0.34	1.00	4.0	14.01	0.56
NR	NR	UNUM Corp	NA	28⅛–26⅜	26½	NA	NA	0.56	0.40	1.5	NA	NA

Note: Except as indicated, price changes are from Dec. 31, 1981 to Nov. 18, 1986. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. †Price change does not reflect the value of shares received in a spinoff. *Shares outstanding have declined by 10% or more in the last year. ‡Three-year price change. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit. ‡‡Does not include stock dividends given in another company as part of the dividend.

Who's where in the stock market

Rank 86	Rank 85	Company	5-year price change	1982-86 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
186	425	Upjohn	244.7	103¾–19	92⅝	$3.84	24.1	2.60	$1.52	1.6%	$20.88	0.23
551	NR	US West	96.0‡	62 –27½	54½	5.01	10.9	1.26	3.04	5.6	36.49	0.67
222	524	USAir Group	214.7	40¼–10	37⅜	3.15	11.9	0.56	0.12	0.3	35.37	0.95
607	496	USF&G	78.8	46¾–15⅝	37	3.03	12.2	0.57	2.32	6.3	18.91	0.51
103	236	USG	350.7	46½– 6½	37¾	3.43	11.0	0.90	1.12	3.0	15.03	0.40
545	537	USLife	98.9	49½–14½	45¾	4.40	10.4	0.78	1.20	2.6	42.40	0.93
885	730	USX	–29.3	33¼–14½	21⅛	–1.65	def	0.34	1.20	5.7	42.79	2.03
657	540	Utah Power & Light	63.6	37¼–17¼	29¼	2.18	13.4	1.66	2.32	7.9	18.72	0.64
936	913	Valero Energy	–63.9	36¼– 5⅞	8¼	–3.99	def	0.10	none	0.0	17.84	2.16
673	547	Valley National	54.9	50¼–13⅛	35¼	3.80	9.3	0.56	1.44	4.1	31.76	0.90
657	445	Varian Associates	63.6	63⅜–12⅞	24¾	–0.70	def	0.59	0.26	1.1	20.14	0.81
802	856	Varity	7.1	6⅛– 1⅛	1⅞	0.31	6.0	0.22	none	0.0	0.91	0.49
38	23	VF	533.1	36 – 3¾	32¼	2.26	14.3	1.35	0.72	2.2	8.91	0.28
475	383	Vulcan Materials	122.7	124½–38¾	120¼	7.71	15.6	1.38	2.96	2.5	46.67	0.39
24	19	Wal-Mart Stores	723.5	53⅞– 4¾	43¾	1.41	31.0	1.12	0.17	0.4	4.55	0.10
195	86	Waldbaum	232.6	34 – 6½	24¾	2.45	10.1	0.08	0.20	0.8	25.35	1.02
70	37	Walgreen	424.3	39½– 5½	31⅞	1.67	19.1	0.54	0.54	1.7	9.00	0.28
886	764	Wang Laboratories	–30.1	42½–10½	11⅝	0.11	NM	0.65	0.16	1.4	9.59	0.82
857	776	Warner Communications	–19.4	31⅝– 8½	22⅛	1.70	13.0	1.03	0.30	1.4	3.56	0.16
407	404	Warner-Lambert	144.9	63⅛–19⅛	54½	–3.05	def	1.33	1.68	3.1	11.77	0.22
654	443	Washington Gas Light	64.1	30⅜–12	26¼	2.20	11.9	0.59	1.76	6.7	17.92	0.68
661	724	Washington National	61.8	37¾–14¼	31¾	3.23	9.8	0.56	1.08	3.4	34.92	1.10
91	54	Washington Post	375.5	184½–27⅜	148	7.50	19.7	1.64	1.12	0.8	27.26	0.18
246	341	Waste Management	205.5	57½–12¾	51¾	2.00	25.9	2.84	0.56	1.1	11.14	0.22
161	314	Del E Webb	267.3	28¼– 4⅞	25¼	2.31	10.9	0.70	0.20	0.8	16.81	0.67
193	87	Weis Markets	233.0	42 –10⅝	37	2.06	18.0	1.05	0.54	1.5	11.89	0.32
127	365	Wells Fargo	309.8	115 –18¼	104½	9.49	11.0	0.76	3.12	3.0	61.87	0.59
338	67	Wendy's International	165.5	17⅜– 3½	11¼	0.13	NM	0.95	0.24	2.1	4.66	0.41
473	416	West Point-Pepperell	123.0	60⅝–19¼	51	4.09	12.5	0.41	2.20	4.3	44.72	0.88
373	823	Western Air Lines	153.8	13 – 2⅝	12⅜	–0.10	def	0.52	none	0.0	4.70	0.38
964	944	Western Co No Amer	–97.4	23¼– ¼	⅝	–7.80	def	0.10	none	0.0	5.68	9.09
10	NR	Western S&L Assoc	1,203.2	28 – ⅞	19	3.03	6.3	0.42	0.24	1.3	4.54	0.24
954	866	Western Union	–88.0	54¼– 3⅝	4⅜	–17.63	def	0.11	none	0.0	11.27	2.58
107	180	Westinghouse	340.2*	60¼–10⅞	56⅛	4.16	13.5	0.77	1.40	2.5	21.03	0.37
879	787	Westmoreland Coal	–26.9	27¾–13½	17	2.48	6.9	0.24	0.60	3.5	21.97	1.29
664	503	Westvaco	59.3	39¾–11	37⅝	3.75	10.0	0.90	1.00	2.7	35.16	0.93
233	302	Wetterau	209.1	43¼– 9⅜	38¼	2.81	13.6	0.13	1.04	2.7	18.09	0.47
745	782	Weyerhaeuser	26.7	41⅜–22½	36¾	1.64	22.4	0.88	1.30	3.5	22.93	0.62
940	902	Wheeling-Pittsburgh	–72.1	35⅝– 6⅜	8½	–27.32	def	0.06	none	0.0	–19.44	NE
317	296	Whirlpool	174.9	41½–11¼	34⅞	2.82	12.4	0.66	1.10	3.2	16.46	0.47
833	848	Whittaker	–8.2	39⅞–14½	30¾	–0.68	def	0.44	0.60	2.0	27.92	0.91
924	911	Wickes Cos	–56.3	10⅝– 2	4	0.27	14.8	0.24	none	0.0	4.08	1.02
476	605	Wicor	122.3	46 –15¾	41⅛	3.55	11.6	0.31	2.60	6.3	29.88	0.73
406	632	Willamette Inds	145.0	43½– 9¾	43	2.43	17.7	0.95	1.03	2.4	18.62	0.43
854	860	Williams Cos	–18.7	33½–12⅝	22¼	–0.19	def	0.30	1.40	6.3	35.33	1.59
631	719	Wilson Foods	71.1	15 – 4¼	9⅝	–3.96	def	0.05	none	0.0	5.10	0.53
374	342	Winn-Dixie Stores	153.7	59 –17	46⅝	2.71	17.2	0.23	1.80	3.9	17.05	0.37
256	246	Wisconsin Electric	197.9	64½–17½	54⅛	4.82	11.2	1.26	2.68	5.0	30.97	0.57
340	311	Wisconsin P&L	164.9	60¼–19	51	4.04	12.6	1.15	2.96	5.8	27.62	0.54
276	276	Wisconsin Public Svc	187.9	63 –17¾	53⅜	4.16	12.9	1.03	3.00	5.6	28.82	0.54
217	428	Witco	217.8	38⅜– 9⅛	34¼	2.87	11.9	0.55	1.12	3.3	18.67	0.55
94	317	FW Woolworth	370.8	49 – 7⅞	42⅜	2.99	14.2	0.45	1.12	2.6	18.76	0.44
413	457	Worthington Inds	142.0	20⅜– 4⅛	17¾	1.03	17.2	0.64	0.36	2.0	5.63	0.32
134	223	Wm Wrigley Jr	302.8	51 – 9⅜	47	2.45	19.2	1.45	1.32	2.8	12.25	0.26
846	703	Wyman-Gordon	–14.4	38 –15½	18⅝	–0.11	def	0.93	0.80	4.3	16.79	0.90
721	754	Xerox	36.1	72¼–27¼	55⅛	4.57	12.1	0.59	3.00	5.4	45.47	0.82
84	168	Yellow Freight System	393.7	41½– 5⅜	38⅞	2.46	15.8	0.67	0.62	1.6	11.27	0.29
NR	NR	York International	NA	18¾–13½	16⅞	NA	NA	0.22	none	0.0	20.42	1.21
528	718	Zale	103.0	45¾–17⅜	42⅝	–2.12	def	0.47	1.40	3.3	32.91	0.77
957	925	Zapata	–91.2	29¼– 2¼	2½	–7.84	def	0.21	none	0.0	19.02	7.61
39	12	Zayre	524.4	43⅞– 3¾	25½	1.43	17.8	0.31	0.32	1.3	10.31	0.40
595	762	Zenith Electronics	80.9	38⅝– 9¾	20⅛	–0.29	def	0.26	none	0.0	18.90	0.94
674	386	Zurn Industries	54.5	45¾–18	38⅝	2.52	15.3	0.64	1.32	3.4	27.88	0.72

Note: Except as indicated, price changes are from Dec. 31, 1981 to Nov. 18, 1986. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. *Shares outstanding have declined by 10% or more in the last year. ‡Three-year price change. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

WHO'S WHERE IN PROFITABILITY

Five-year profitability champs that haven't stayed fit over the latest 12 months won't stay champs much longer.

Of the 1,012 companies in the Forbes Annual Report on American Business, none shows a higher five-year return on equity than Coleco Industries. During the period, the Hartford, Conn.-based toy company has averaged an amazing $1.22 in earnings for every $1 of shareholder equity in the company. But will Coleco be top dog again next year? Probably not. During the latest 12 months the company's profitability plunged dramatically, to a dismal 3.2% return on equity. Why? Because in 1986 Coleco was hit with a double whammy: Its equity base expanded as a result of the earnings piled up by the colossal success of its Cabbage Patch dolls the year before. But sales of the dolls collapsed, sending earnings into a nosedive.

Coleco is not alone in failing to broaden its market base. Take Price Co., a warehouse retailer and last year's profitability leader. Its 12-month return on equity slipped to 35.4%, compared with its five-year average of 59.3%. But even 35.4% is, of course, unsustainably high. With rewards like that out there, competitors like Costco and Pace Warehouse will continue to take away market share.

Or take Apple Computer, which fell from second place to tenth in profitability. Its 44.6% five-year average profitability still reflects the firm's early explosive growth in the late 1970s. But nearly $2 billion (sales) Apple has not been coasting. Its latest 12-month return on equity is 26.9%, its net profit margin is 8.1% and its Macintosh computer is selling briskly. That was enough to make Apple Forbes' most improved computer company *(see p. 101)*.

Over the long run, few companies ever beat the averages—in profitability or anything else. Look at the top 152 firms on our list, all with five-year average return on equity of 20% or more. Only 71 kept this pace over the last 12 months. This means that only about half of the leading companies are likely to rate high again next year. Yesterday's performance means nothing tomorrow.

Who's where in profitability

		Return on equity				Return on equity				Return on equity	
Company	rank	5-year average	latest 12 months	Company	rank	5-year average	latest 12 months	Company	rank	5-year average	latest 12 months
Coleco Industries	1	122.3%	3.2%	Charter Medical	19	36.4%	20.1%	Dow Jones	37	31.4%	29.5%
Highland Superstores	2	63.8	26.3	General Cinema	20	35.3	22.7	Deluxe Check	38	31.0	32.9
Liz Claiborne	3	63.5	49.2	Wal-Mart Stores	21	35.1	31.0	Western S&L	39	30.5	66.7
Price Co	4	59.3	35.4	Geico	22	34.4	41.4	US Tobacco	40	30.0	31.2
Columbia S&L	5	50.0	30.2	Savannah Foods	23	34.4	12.7	EG&G	41	29.7	24.5
Subaru of America	6	49.9	34.4	American Home Prods	24	34.3	33.4	Food Lion	42	29.4	27.7
First Executive	7	45.4	15.4	Comdisco	25	34.0	28.3	SmithKline Beckman	43	28.7	22.2
ServiceMaster Inds	8	44.9	44.6	Tandy	26	34.0	16.8	Manor Care	44	28.7	24.9
Limited	9	44.7	47.1	Bruno's	27	33.9	18.6	Brunswick	45	28.0	20.6
Apple Computer	10	44.6	26.9	American Continental	28	33.8	24.0	Family Dollar Stores	46	27.9	26.4
NIKE	11	40.8	16.6	Kellogg	29	33.4	44.2	Minstar	47	27.7	16.5
Allegheny Beverage	12	40.3	def	Hasbro	30	33.4	21.4	Circuit City Stores	48	27.7	22.8
Student Loan	13	40.0	28.3	VF	31	32.9	25.4	Super Rite Foods	49	27.2	7.7
Lockheed	14	39.1	27.9	Humana	32	32.8	6.0	American Stores	50	27.1	16.4
ICH	15	36.8	45.7	Telex	33	32.4	26.5	First Boston	51	26.9	18.5
Dun & Bradstreet	16	36.6	24.8	MCI Communications	34	32.4	7.2	Abbott Laboratories	52	26.8	28.3
Big Bear	17	36.5	20.3	Monfort of Colorado	35	31.9	27.5	Teledyne	53	26.5	18.4
Intergraph	18	36.5	17.2	Maxicare Health	36	31.8††	15.1	Emerson Radio	54	25.7	35.1

def: Deficit. ††Three-year average.

Company	Return on equity rank	5-year average	latest 12 months
Jefferson Smurfit	55	25.6%	17.6%
Allied Bancshares	56	25.5	1.3
Washington Post	57	25.4	27.5
Marsh & McLennan	58	25.4	44.6
Shaw's Supermarkets	59	25.3†	20.5
Philip Morris Cos	60	25.1	29.3
G Heileman Brewing	61	25.0	15.9
IBM	62	24.9	19.0
Maytag	63	24.7†	20.2
Kelly Services	64	24.7	28.0
Bindley Western Inds	65	24.7	14.6
Super Valu Stores	66	24.6	15.7
United Stationers	66	24.6	16.8
Toys "R" Us	68	24.6	15.8
Pulte Home	69	24.6	10.6
Dean Foods	70	24.4	21.7
Turner	71	24.3	12.0
Prime Computer	72	24.3	12.9
Morton Thiokol	73	24.3	17.1
Shoney's	74	24.3	19.3
Natl Convenience	75	24.3	4.3
Culbro	76	24.0	18.2
General Dynamics	77	23.9	27.2
Fred Meyer	78	23.8††	19.9
Melville	79	23.8	20.9
General Host	80	23.7	16.5
H&R Block	81	23.7	21.8
Bristol-Myers	82	23.6	22.7
Standard Oil	83	23.5	def
Schlumberger	84	23.3	def
Ames Dept Stores	85	23.2	11.6
Rite Aid	86	22.9	17.7
Loews	87	22.9	22.9
Marriott	87	22.9	21.1
Federal Express	89	22.9	12.7
RJR Nabisco	90	22.8	19.8
Giant Food	91	22.8	21.8
Southmark	92	22.7	12.3
Golden West Finl	93	22.7	38.6
Coca-Cola	94	22.6	26.9
Eli Lilly	94	22.6	23.4
Tyson Foods	96	22.5	32.4
McDonald's	97	22.5	21.9
Wendy's Intl	98	22.5	2.8
McGraw-Hill	99	22.4	19.6
Herman Miller	100	22.4	19.7
Walgreen	101	22.3	21.3
Browning-Ferris Inds	102	22.2	22.8
ConAgra	103	22.2	21.9
Jostens	104	22.2	20.9
Pioneer Hi-Bred Intl	105	22.1	16.0
Equifax	106	22.1	26.4
Brown-Forman	107	21.9	17.7
New York Times	108	21.9	21.8
Dover	109	21.7	14.3
James River Corp Va	110	21.7	13.2
PHH Group	111	21.7	14.5
Gannett	112	21.6	20.9
Fort Howard Paper	113	21.6	14.7
Nalco Chemical	114	21.5	17.1
Equitable Resources	115	21.5	15.2
Dibrell Brothers	116	21.4	16.0
State Street Boston	117	21.3	19.0
Dillard Dept Stores	118	21.3	18.4
Supermarkets General	119	21.2%	18.7%
Worthington Inds	120	21.2	19.6
HJ Heinz	121	21.2	23.3
Albertson's	122	21.1	18.3
Wang Laboratories	123	21.1	1.2
E-Systems	124	21.1	14.3
Midlantic Banks	125	21.0	18.5
Holly Corp	126	21.0	34.1
Dollar General	127	21.0	8.7
Capital Cities/ABC	128	20.9	13.6
Merck	129	20.9	24.2
Salomon	130	20.9	19.1
Emery Air Freight	131	20.8	def
Waste Management	132	20.7	18.0
Transworld	133	20.7†	23.6
Delchamps	134	20.7	10.7
American Medical	135	20.6	def
Fleetwood Enterprises	136	20.5	13.7
Emerson Electric	137	20.4	18.7
Southwestern Pub Svc	138	20.4	19.6
Ogilvy Group	139	20.4	19.8
Ametek	140	20.3	15.9
Gap	141	20.3	31.5
Carlisle Cos	142	20.3	8.8
Carolina Freight	142	20.3	16.6
Anheuser-Busch Cos	144	20.3	19.7
Rubbermaid	145	20.2	22.4
AMP	146	20.2	14.0
Petrie Stores	147	20.2	17.1
Intl Flavors & Frags	148	20.1	19.4
Hannaford Bros	149	20.1	17.6
Leggett & Platt	150	20.0	19.5
Clorox	151	20.0	18.9
Fuqua Industries	152	20.0	22.4
Flowers Industries	153	19.9	19.5
Weis Markets	153	19.9	17.3
Snap-on Tools	155	19.9	19.1
American Brands	156	19.8	14.6
Rockwell Intl	157	19.8	21.1
Shaw Industries	158	19.8	18.7
General Electric	159	19.8	17.4
Pfizer	160	19.7	21.2
Entex	161	19.7	def
Winn-Dixie Stores	162	19.6	16.5
National Medical	163	19.6	9.5
Sysco	164	19.6	16.4
Rohr Industries	165	19.5	17.8
Hechinger	166	19.5	14.7
Gillette	167	19.5	19.5
Tyco Laboratories	168	19.4	21.1
PaineWebber Group	169	19.4	13.8
Reliance Group	170	19.4††	3.1
Time Inc	170	19.4†	33.9
Johnson & Johnson	172	19.4	10.9
Mayflower Group	173	19.3	11.3
Litton Industries	174	19.3	7.4
Rorer Group	175	19.3	52.9
Cooper Tire & Rubber	176	19.2	12.3
Hershey Foods	176	19.2	18.0
Collins & Aikman	178	19.2	19.2
Shaklee	179	19.1	35.6
Universal Leaf	180	19.1	16.6
Meredith	181	19.1	14.3
Ralston Purina	181	19.1	46.6
Raytheon	181	19.1%	20.3%
Collins Foods Intl	184	19.1	10.6
Sara Lee	184	19.1	19.8
CoreStates Financial	186	19.1	16.5
Genuine Parts	187	19.0	16.9
Chesebrough-Pond's	188	19.0	17.6
Curtice-Burns Foods	189	19.0	12.6
Minn Mining & Mfg	189	19.0	18.4
SCI Systems	191	19.0	13.3
Cullum Cos	192	19.0	15.7
Republic New York	193	18.9	16.4
Hilton Hotels	194	18.9	15.3
National Service	195	18.9	17.1
Bergen Brunswig	196	18.9	12.8
Stop & Shop Cos	197	18.9	10.5
Revco DS	198	18.9	13.4
Banc One	199	18.9	18.0
Roadway Services	200	18.8	12.2
US Shoe	200	18.8	8.8
Automatic Data	202	18.8	17.8
Hewlett-Packard	202	18.8	13.0
CityFed Financial	204	18.8	21.0
Payless Cashways	205	18.8	12.8
Consolidated Papers	206	18.8	19.3
Fleet Financial	207	18.7	21.9
McCormick	208	18.7	11.2
Southwest Airlines	209	18.7	10.0
Masco	210	18.6	19.2
Times Mirror	210	18.6	37.6
Mitchell Energy	212	18.6	5.5
PepsiCo	213	18.6	23.6
First Wachovia	214	18.5	17.8
Lear Siegler	214	18.5	9.7
SunTrust Banks	216	18.5††	17.5
Bowater	217	18.5	10.9
Coachmen Industries	217	18.5	2.1
Rollins	217	18.5	56.9
Blount	220	18.4	2.9
Nordstrom	221	18.3	18.0
Procter & Gamble	222	18.2	13.2
Exxon	223	18.2	19.6
Pitney Bowes	223	18.2	20.2
Hospital Corp	225	18.2	11.0
American Greetings	226	18.1	15.0
Advanced Micro	227	18.1	def
Barnett Banks Fla	228	18.1	18.0
Consol Freightways	229	18.1	14.7
Cincinnati Financial	230	18.1	18.3
Nacco Industries	231	18.1	22.8
Church's Fried	232	18.1	3.7
Fleming Cos	233	18.0	12.0
Ryder System	234	18.0	16.6
Whirlpool	235	18.0	17.1
Oxford Industries	236	18.0	8.7
Combined Intl	237	17.9	24.5
Loral	238	17.9	17.7
American Bankers	239	17.9	18.6
Northrop	239	17.9	6.3
Pentair	241	17.8	10.0
Todd Shipyards	241	17.8	def
PNC Financial	243	17.8	20.1
Piedmont Aviation	244	17.8	12.1
Interpublic Group	245	17.7	19.4
Farmers Group	246	17.7	16.7

def: Deficit. NA: Not available. †Four-year average. ††Three-year average.

Who's where in profitability

Company	Return on equity rank	5-year average	latest 12 months
Hillenbrand Inds	246	17.7%	17.3%
Texas Commerce	246	17.7	1.0
Square D	249	17.7	14.5
Lucky Stores	250	17.7	9.4
Amoco	251	17.7	8.4
Continental Bancorp	252	17.5	17.4
RR Donnelley	252	17.5	16.8
Hubbell	254	17.5	18.3
American Express	255	17.5	24.1
Old Republic Intl	256	17.4	14.4
MCorp	257	17.4	def
Longs Drug Stores	258	17.4	13.0
Berkshire Hathaway	259	17.4	27.3
United Illuminating	259	17.4	15.7
EF Hutton Group	261	17.3	2.9
United Virginia Bkshs	261	17.3	17.0
New England Electric	263	17.3	16.2
Centel	264	17.3	15.7
TIE/Communications	265	17.3	def
Fidelcor	266	17.3	17.7
Lowe's Cos	266	17.3	14.4
Pillsbury	268	17.2	17.0
Sonoco Products	268	17.2	17.8
Ryland Group	270	17.2	28.8
Zayre	270	17.2	13.9
Hartford National	272	17.2	18.0
Bankers Trust NY	273	17.2	17.5
Sovran Financial	274	17.1	17.7
Avery International	275	17.1	15.2
Mercantile Stores	276	17.1	15.9
United Artists	277	17.1	8.4
Ball Corp	278	17.0	17.6
Dayton-Hudson	279	17.0	14.4
Boeing	280	16.9	15.2
American Intl Group	281	16.9	16.9
Upjohn	281	16.9	18.4
San Diego G&E	283	16.9	17.1
Emhart	284	16.9	def
Colt Industries	285	16.8	26.0
Boatmen's Bancshares	286	16.8	14.5
Quaker Oats	287	16.7	22.8
Citizens & Southern	288	16.7	18.4
Southland	289	16.7	14.8
Kansas City P&L	290	16.6	12.6
Edison Bros Stores	291	16.6	12.9
Rose's Stores	291	16.6	16.8
First Union	293	16.6	19.1
Arkla	294	16.6	10.4
Transco Energy	295	16.5	def
Big V Supermarkets	296	16.5	13.0
Stanadyne	296	16.5	13.1
NCNB	298	16.5	17.4
Service Merchandise	299	16.4	def
Security Pacific	300	16.4	15.7
Iowa-Illinois G&E	301	16.4	13.6
Commonwealth Energy	302	16.4	15.7
Wisconsin P&L	303	16.4	14.6
Kansas Power & Light	304	16.4	16.3
Peoples Energy	305	16.4	17.4
Tracor	306	16.3	2.0
Wyman-Gordon	307	16.3	def
USAir Group	308	16.3	8.9
Southern Calif Edison	309	16.3	15.7
No States Power	310	16.3	16.0
Diversified Energies	311	16.2%†	def
Morrison	311	16.2	7.9%
Third National	313	16.2	17.4
Bank of New England	314	16.2	18.5
JP Morgan	315	16.1	19.7
First Fidelity Bncp	316	16.1	15.6
USG	316	16.1	22.8
Northeast Utilities	318	16.1	17.3
Texas Utilities	319	16.1	14.7
McLean Industries	320	16.0	def
Central & South West	321	16.0	16.0
Gerber Products	322	16.0	11.1
Kaman	322	16.0	16.4
Portland General	322	16.0	14.9
Florida Natl Banks	325	15.9	12.4
WW Grainger	325	15.9	16.2
Std Commercial Tob	325	15.9	12.2
Universal Foods	325	15.9	11.4
Circle K	329	15.9	19.5
Wm Wrigley Jr	330	15.9	20.0
Knight-Ridder	331	15.9	19.1
Jerrico	332	15.8	13.7
Bank of New York	333	15.8	17.0
Brooklyn Union Gas	334	15.8	10.1
Westinghouse	334	15.8	19.8
Vulcan Materials	336	15.8	16.5
Wisconsin Electric	336	15.8	15.6
Kroger	338	15.7	7.4
Brown Group	339	15.7	11.9
Freeport-McMoRan	340	15.7	2.7
Norstar Bancorp	341	15.7	15.5
Nucor	341	15.7	16.5
Macmillan	343	15.7	22.0
Media General	343	15.7	11.2
Integrated Resources	345	15.7	1.1
RepublicBank	346	15.6	6.4
Dexter	347	15.6	13.7
First of America Bank	348	15.6	17.2
PacifiCorp	348	15.6	13.7
Sealed Power	350	15.6	10.8
Contel	351	15.6	16.0
Tandem Computers	351	15.6	14.2
Citicorp	353	15.5	13.4
Pittway	354	15.5	11.8
Tecumseh Products	355	15.5	10.9
Illinois Power	356	15.5	16.0
Chemical New York	357	15.4	14.7
Wisconsin Public Svc	357	15.4	14.4
Bank of Boston	359	15.4	15.6
Union Electric	360	15.4	15.4
Univar	360	15.4†	7.4
American Family	362	15.4	23.7
Consol Natural Gas	362	15.4	12.3
Grumman	362	15.4	11.4
Long Island Lighting	365	15.4	12.4
Laclede Gas	366	15.4	18.9
Sherwin-Williams	366	15.4	17.3
Campbell Soup	368	15.3	16.1
Murphy Oil	369	15.3	3.0
BayBanks	370	15.3	16.8
Moore Corp	370	15.3	14.7
Central Hudson G&E	372	15.3	16.4
Kraft	372	15.3	14.8
Alco Standard	374	15.3	12.5
Jamesway	375	15.3%	10.1%
Rohm & Haas	376	15.2	14.3
Marshall & Ilsley	377	15.2	16.3
Questar	377	15.2	10.7
Unocal	377	15.2	2.0
May Dept Stores	380	15.2†	14.5
Rochester G&E	381	15.2	13.6
Beverly Enterprises	382	15.2	11.8
Munford	382	15.2	6.8
Federal-Mogul	384	15.2	12.9
Meridian Bancorp	384	15.2	15.4
Sterling Drug	384	15.2	13.2
Centerior Energy	387	15.2	14.0
KeyCorp	387	15.2	17.2
Potomac Electric	387	15.2	18.7
Witco	390	15.1	15.4
Johnson Controls	391	15.1	12.4
Anixter Bros	392	15.1	10.9
Scotty's	392	15.1	7.3
Kimberly-Clark	394	15.1	14.8
Niagara Mohawk Power	395	15.1	14.0
Allegheny Power	396	15.1	15.8
Bairnco	397	15.1	12.1
Southern Company	398	15.0	15.9
Engelhard	399	15.0	9.7
Sundstrand	399	15.0	13.5
Merrill Lynch	401	15.0	13.9
Signet Banking	402	15.0	19.0
AZP Group	403	15.0	13.2
Consolidated Edison	404	15.0	13.1
Computer Sciences	405	14.9	12.3
Maryland National	406	14.9	18.8
Alltel	407	14.9	15.4
Kansas City Southern	407	14.9	0.2
Torchmark	409	14.8	22.8
CPC International	410	14.8	14.4
Leaseway Transport	411	14.8	18.9
Figgie International	412	14.8	16.2
First Tennessee Natl	413	14.8	16.1
Commonwealth Ed	414	14.7	15.6
General Re	414	14.7	13.9
Squibb	414	14.7	18.0
Mapco	417	14.7	20.6
TECO Energy	417	14.7	13.6
NY State E&G	419	14.7	15.3
Enron	420	14.7	2.6
Harcourt Brace	421	14.7	22.0
Ford Motor	422	14.6	26.5
Yellow Freight System	422	14.6	21.8
Sonat	424	14.6	def
Federal Co	425	14.6	18.7
Illinois Tool Works	425	14.6	10.1
American General	427	14.6	13.5
Pacific G&E	428	14.5	14.7
Huntington Bcshs	429	14.5	15.7
Perry Drug Stores	430	14.4	10.4
Stanley Works	431	14.4	16.1
Echlin	432	14.4	16.0
Mercantile Bancorp	432	14.4	13.3
Baltimore G&E	434	14.4	16.2
Montana Power	434	14.4	18.2
National Fuel Gas	436	14.4	13.0
Ruddick	436	14.4	12.3
Delmarva Power & Lt	438	14.3	15.6

def: Deficit. †Four-year average.

Company	rank	Return on equity 5-year average	Return on equity latest 12 months
Ethyl	439	14.3%	20.6%
Lubrizol	440	14.3	14.7
Schering-Plough	440	14.3	14.6
Waldbaum	440	14.3	9.7
NCR	443	14.3	14.3
Public Service NM	443	14.3	12.8
Florida Progress	445	14.2	17.3
Iowa Resources	446	14.2	14.3
Ohio Edison	447	14.2	15.0
Pennzoil	448	14.2	def
United Technologies	448	14.2	10.9
Valley National	450	14.1	12.0
Baxter Travenol Labs	451	14.1	15.7
Perkin-Elmer	451	14.1	10.3
Air Prods & Chems	453	14.1	0.4
Duke Power	453	14.1	13.8
Gulf States Utilities	455	14.1	12.2
Ipalco Enterprises	455	14.1	13.3
Panhandle Eastern	457	14.1	def
Valero Energy	457	14.1	def
Super Food Services	459	14.1	16.5
Oneok	460	14.0	8.4
Dynalectron	461	14.0	3.1
Provident Life & Acc	462	14.0	14.6
Oklahoma G&E	463	14.0	13.8
Tyler	464	14.0	6.3
Whittaker	465	14.0	def
Scana	466	14.0	14.6
Alexander & Baldwin	467	13.9	17.9
Martin Marietta	468	13.9	28.5
Orange & Rockland	469	13.9	14.0
Strawbridge	470	13.9	14.5
Hartmarx	471	13.9	8.1
Rainier Bancorp	472	13.9	13.5
Foster Wheeler	473	13.8	5.9
PPG Industries	473	13.8	17.7
Dominion Bankshares	475	13.8	15.9
Avnet	476	13.8	3.5
Safeway Stores	476	13.8	10.8
Bausch & Lomb	478	13.8	17.6
Parker-Hannifin	478	13.8	13.9
Borden	480	13.7	15.3
McDonnell Douglas	480	13.7	10.6
Public Service NH	480	13.7	9.0
Cincinnati G&E	483	13.7	19.2
Holiday	483	13.7	18.2
Intl Multifoods	483	13.7	10.4
Carolina Power & Lt	486	13.7	14.5
Wells Fargo	487	13.7	15.3
First Interstate Bncp	488	13.7	12.6
Lorimar-Telepictures	488	13.7	def
Houston Industries	490	13.7	14.7
Capital Holding	491	13.6	20.8
So New England Tel	491	13.6	13.5
Philadelphia Electric	493	13.6	15.6
Irving Bank	494	13.6	13.5
Intermark	495	13.5	def
Southwest Gas	496	13.5	12.6
First Bank System	497	13.5	15.9
National City	498	13.5	20.1
American Natl Ins	499	13.5	11.9
FPL Group	500	13.5	13.3
CILCorp	501	13.5	15.1
Federated Dept Stores	502	13.4	10.5
GAF	503	13.4%	24.0%
Rykoff-Sexton	504	13.4	7.9
Manufacturers Hanover	505	13.4	12.4
Tektronix	505	13.4	6.0
Shawmut	507	13.4	14.1
US Bancorp	507	13.4	13.0
Cummins Engine	509	13.4	def
Allied Stores	510	13.4	12.4
Central Ill Pub Svc	510	13.4	13.1
Baker International	512	13.4	def
Sun Company	512	13.4	13.8
General Motors	514	13.3	12.9
Wetterau	514	13.3	15.5
Centex	516	13.3†	15.2
Nash Finch	516	13.3	12.7
Middle South Utils	518	13.3	9.8
Southeast Banking	519	13.3	15.3
McKesson	520	13.2	12.5
Pacific Lighting	521	13.2	6.0
Chevron	522	13.1	9.0
DWG	522	13.1	def
Morrison-Knudsen	522	13.1	10.1
Briggs & Stratton	525	13.1	11.1
Washington Gas Light	526	13.1	12.3
Zurn Industries	527	13.1	9.0
Harris Corp	528	13.1	7.1
Boston Edison	529	13.1	14.5
Phillips Petroleum	530	13.1	14.6
Purolator Courier	530	13.1	def
Borg-Warner	532	13.0	12.9
Safeco	532	13.0	20.3
Texas American Bcshs	534	13.0	def
M/A-Com	535	13.0	2.7
United Telecom	536	12.9	0.1
JC Penney	537	12.9	11.9
United Banks of Colo	537	12.9	9.1
Public Svc Enterprise	539	12.9	14.7
Raychem	540	12.8	13.2
Chase Manhattan	541	12.8	13.4
Texas Industries	542	12.8	5.5
Finl Corp of America	543	12.7	118.2
Quaker State Oil	543	12.7	15.9
Burlington Northern	545	12.7	def
Economics Laboratory	546	12.7	18.3
KN Energy	546	12.7	1.5
Jefferson-Pilot	548	12.7	9.9
Motorola	548	12.7	7.4
Atlantic City Electric	550	12.7	14.2
Louisville G&E	551	12.7	12.7
Mellon Bank	551	12.7	12.2
Puget Sound P&L	553	12.7	11.7
Avon Products	554	12.7	def
Duquesne Light	554	12.7	12.5
MCA	554	12.7	13.0
Marsh Supermarkets	557	12.6	14.4
Nortek	557	12.6	14.9
Federal Paper Board	559	12.6	9.1
Business Men's Assur	560	12.6	def
Kidde	560	12.6	3.5
TRW	560	12.6	14.3
Union Camp	563	12.5	8.2
Coastal Corp	564	12.5	2.2
Archer-Daniels	565	12.5	13.1
Eastman Kodak	566	12.5	1.7
Public Service Colo	566	12.5%	8.8%
Dennison Mfg	568	12.5	5.7
Digital Equipment	568	12.5	13.5
Riggs National	570	12.5	13.5
Arden Group	571	12.4	14.1
First Wisconsin	571	12.4	12.9
Kentucky Utilities	571	12.4	12.2
Society	574	12.4	15.9
Colgate-Palmolive	575	12.4	13.7
Cooper Industries	575	12.4	11.0
Detroit Edison	577	12.4	14.8
Pennsylvania P&L	577	12.4	11.2
Norfolk Southern	579	12.4	10.4
George A Hormel	580	12.3	11.9
K mart	581	12.2	9.0
North Amer Philips	582	12.2	4.5
Utah Power & Light	583	12.1	11.7
DeSoto	584	12.1	5.1
Halliburton	584	12.1	def
Texas Eastern	584	12.1	def
DPL	587	12.1	9.0
Household Intl	587	12.1	13.7
General Signal	589	12.1	3.8
Armstrong Rubber	590	12.0	def
Atlantic Richfield	590	12.0	12.3
FMC	592	12.0	16.1
JWT Group	593	12.0	15.3
Honeywell	594	12.0	8.7
Sears, Roebuck	594	12.0	11.6
Kemper	596	12.0	17.2
Paccar	597	12.0	6.8
Westvaco	598	11.9	10.7
Harsco	599	11.9	10.3
Occidental Petroleum	599	11.9	2.6
Triangle Industries	601	11.9	65.6
GTE	602	11.9	def
Public Service Ind	603	11.9	65.3
CNA Financial	604	11.9	19.1
Intl Minerals & Chem	604	11.9	def
American Electric	606	11.8	12.4
Becton Dickinson	606	11.8	15.6
Tribune	608	11.8	34.5
Monarch Capital	609	11.8	19.5
Insilco	610	11.8	9.0
Kellwood	611	11.7	17.7
Bell & Howell	612	11.7	13.8
Wicor	613	11.7	11.9
Dana	614	11.6	9.6
Hercules	615	11.6	13.8
Greyhound	616	11.6	10.4
Louisiana Land	617	11.6	def
WR Grace	618	11.6	6.8
NBD Bancorp	619	11.5	14.2
Guy F Atkinson	620	11.5	5.8
Arvin Industries	621	11.5	17.0
LB Foster	622	11.5	def
Dominion Resources	623	11.4	13.0
Commerce Bcshs	624	11.4	11.8
Hanover Insurance	625	11.4	16.5
Seagram	626	11.4	11.5
Bemis	627	11.4	12.7
West Point-Pepperell	628	11.3	9.2
EI du Pont	629	11.3	12.7
Crown Cork & Seal	630	11.2	14.4

def: Deficit. †Four-year average.

Who's where in profitability

Company	Return on equity rank	5-year average	latest 12 months
Phillips-Van Heusen	630	11.2%	12.0%
Outboard Marine	632	11.2	2.9
Computervision	633	11.2	def
Tenneco	634	11.2	def
Transamerica	635	11.1	12.0
CBI Industries	636	11.1	7.7
Goodyear	637	11.1	9.1
Ohio Casualty	637	11.1	16.3
Seaway Food Town	639	11.0	5.1
Mobil	640	11.0	11.6
Getty Petroleum	641	11.0	36.6
Carpenter Technology	642	11.0	4.2
Travelers	643	10.9	11.5
Fischbach	644	10.9	def
American Cyanamid	645	10.9	9.9
Esselte Business Sys	646	10.8	13.5
AMR	647	10.8	11.6
Union Pacific	647	10.8	def
Comerica	649	10.8	10.5
Lincoln National	650	10.8	12.2
Xerox	650	10.8	10.1
Celanese	652	10.8	22.2
Zapata	652	10.8	def
Delta Air Lines	654	10.7	5.4
Textron	654	10.7	15.7
Central Steel & Wire	656	10.7	7.5
AmeriTrust	657	10.7	11.2
Armstrong World Inds	658	10.6	15.8
First City Bancorp	659	10.6	def
Chubb	660	10.5	14.1
Godfrey	661	10.5	20.4
First Security	662	10.5	5.8
Hawaiian Electric	662	10.5	12.4
Owens-Corning	664	10.5	4.6
Liquid Air	665	10.5	10.6
Atlanta Gas Light	666	10.5	10.5
Carson Pirie Scott	667	10.5	8.0
Handy & Harman	668	10.4	def
Manufacturers Natl	669	10.4	14.9
CBS	670	10.4	30.7
Gt Northern Nekoosa	671	10.4	5.8
Marine Midland Banks	671	10.4	11.9
Life Investors	673	10.3	10.8
Scott Paper	674	10.3	14.9
Central Maine Power	675	10.2	10.9
Ryan Homes	676	10.1	15.7
Enserch	677	10.1	def
Arkansas Best	678	10.0	21.5
Pacific Resources	679	10.0	17.6
Gordon Jewelry	680	10.0	5.5
Smithfield Foods	680	10.0	22.1
Penn Traffic	682	9.9	12.4
Gelco	683	9.9	def
Santa Fe Southern	683	9.9	4.5
Caesars World	685	9.8	17.8
Primark	686	9.7	12.2
Kerr-McGee	687	9.6	def
Joy Manufacturing	688	9.6	def
Norwest	688	9.6	8.9
Interco	690	9.6	8.6
Ponderosa	691	9.6	8.1
Cabot	692	9.6	13.1
Varian Associates	692	9.6	def
Texaco	694	9.6	7.2
CNW	695	9.5%	0.1%
American Standard	696	9.5	11.3
Bearings	697	9.4	1.5
Staley Continental	698	9.3	3.8
USLife	698	9.3	10.4
Intel	700	9.3	def
Eaton	701	9.2	10.6
Centerre Bancorp	702	9.1	9.3
Ceco Industries	703	9.1	7.9
Earle M Jorgensen	704	9.1	2.9
Farm House Foods	705	9.1	5.7
ITT	706	9.0	5.7
Corning Glass Works	707	9.0	13.6
Springs Industries	708	8.8	5.3
Roper Corp	709	8.8	22.8
Willamette Inds	710	8.8	13.1
Dorsey	711	8.7	13.8
First Chicago	712	8.7	13.0
Monsanto	712	8.7	1.0
Singer	714	8.7	17.9
Commercial Metals	715	8.7	10.5
Walt Disney	716	8.7	19.9
RLC	716	8.7†	12.1
Combustion Eng	718	8.6	7.7
Manhattan Industries	719	8.6	1.2
Interlake	720	8.6	8.4
No Indiana Pub Svc	721	8.5	def
Columbia Gas System	722	8.5	4.8
Stone Container	723	8.5	2.3
Unisys	723	8.5	10.1
InterFirst	725	8.5	def
Pueblo International	726	8.4	11.1
Continental Corp	727	8.4	12.6
Northern Trust	727	8.4	12.3
IC Industries	729	8.4	def
HH Robertson	730	8.3	def
Trinova	731	8.3	22.7
Carter Hawley Hale	732	8.2	7.6
Data General	733	8.2	0.8
Owens-Illinois	734	8.2	11.9
California First Bank	735	8.2	10.3
Ogden	736	8.2	def
Ferro	737	8.2	8.2
American Petrofina	738	8.1	def
Jim Walter	739	8.0	14.0
CSX	740	8.0	def
Sun Chemical	740	8.0	12.5
Penn Central	742	7.9	5.7
Gulf & Western	743	7.9	11.7
Longview Fibre	744	7.8	13.2
Best Products	745	7.7	def
Equitable of Iowa	746	7.7	15.6
National Distillers	747	7.6	7.6
Washington National	748	7.6	9.3
Morse Shoe	749	7.5	6.8
Amdahl	750	7.5	4.6
Del E Webb	751	7.5	13.7
Dow Chemical	752	7.4	5.4
Aetna Life & Cas	753	7.4	16.6
McDermott Intl	754	7.4	18.3
Kay	755	7.4	19.7
St Paul Cos	756	7.3	15.0
Mead	757	7.2	8.6
Northwestern Natl Life	758	7.2	13.3
PS Group	759	7.1%	0.2%
General Instrument	760	7.1	def
Adolph Coors	761	7.0	6.7
International Paper	762	7.0	6.1
Williams Cos	763	7.0	def
Trinity Industries	764	7.0	3.9
Allied-Signal	765	6.9	def
United Financial	766	6.8†	def
Tele-Communications	767	6.8	21.9
Champion Spark Plug	768	6.7	def
Soo Line	769	6.7	def
Natl Semiconductor	770	6.6	def
DeKalb	771	6.6	def
Bally Manufacturing	772	6.5	6.7
Potlatch	773	6.4	10.5
Eastern Gas & Fuel	774	6.4	11.3
Skyline	775	6.2	8.5
Moore McCormack	776	6.2	def
Fieldcrest Cannon	777	6.2	7.5
USF&G	778	6.1	16.0
Fisher Foods	779	6.1	def
Perini	780	6.1	3.5
Allen Group	781	6.0	7.9
Weyerhaeuser	782	6.0	7.2
Fruehauf	783	6.0	5.8
ADT	784	5.9	def
Day International	785	5.9	9.1
GenCorp	786	5.8	10.5
HF Ahmanson	787	5.8	24.0
Zenith Electronics	788	5.8	def
Burlington Inds	789	5.8	5.0
Southern Union	790	5.7	def
Rexnord	791	5.7	6.5
Tesoro Petroleum	791	5.7	def
NL Industries	793	5.7	def
Texas Instruments	793	5.7	def
Cyclops	795	5.6	9.8
Stewart-Warner	796	5.6	3.9
Lone Star Industries	797	5.4	4.4
Mohasco	798	5.4	6.1
Georgia-Pacific	799	5.3	10.3
American Maize	800	5.3	1.4
Michigan National	801	5.2	12.2
Beneficial Corp	802	5.2	def
Resorts Intl	802	5.2	def
Orion Capital	804	5.2	def
Boise Cascade	805	5.2	5.8
Brockway Inc (NY)	806	5.1	13.1
Warner-Lambert	807	5.1	def
Di Giorgio	808	5.1	13.0
Cameron Iron Works	809	5.1	def
BankAmerica	810	5.0	def
Gt Western Financial	811	5.0	23.3
NWA	812	5.0	6.4
Firestone	813	4.9	0.7
Foodarama Supermkts	814	4.9	11.9
Ingersoll-Rand	815	4.8	8.0
Pennwalt	816	4.7	7.9
Barnes Group	817	4.7	14.4
American Can	818	4.7	15.6
Dresser Industries	819	4.7	def
General Public Utils	820	4.6	9.3
CertainTeed	821	4.5	12.4
Alcoa	822	4.5	def

def: Deficit. †Four-year average.

Company	Return on equity rank	5-year average	latest 12 months
Heck's	823	4.4%	def
Butler Manufacturing	824	4.4	8.2%
Kaufman & Broad	824	4.4	13.9
Consumers Power	826	4.3	def
Hughes Tool	826	4.3	def
Ashland Oil	828	4.3	18.5
FW Woolworth	828	4.3	15.9
Thorn Apple Valley	830	4.3	def
Reichhold Chemicals	831	4.1	def
Amerada Hess	832	4.1	def
Deere	833	4.0	def
Olin	834	4.0	11.1
Foxboro	835	3.9	def
UGI	836	3.8	def
Norton	837	3.6	def
Nashua	838	3.6	14.8
Polaroid	838	3.6	9.8
Timken	840	3.6	def
UAL	841	3.5	2.3
Commercial Credit	842	3.4†	1.5
Champion Intl	843	3.3	6.7
Alcan Aluminium	844	3.3	def
Western Co No Amer	845	3.3	def
Newmont Mining	846	3.3	3.6
Gibraltar Financial	847	3.1	19.2
Union Carbide	848	3.1	30.0
Louisiana-Pacific	849	2.9	6.9
Research-Cottrell	850	2.8	11.5
Warner Comm	851	2.6	47.8
Alexander's	852	2.6	3.7
Ampco-Pittsburgh	853	2.4	def
Zale	854	2.4	def
Cincinnati Milacron	855	2.3	6.9
Datapoint	856	2.0	def
Gould	857	2.0	def
Cigna	858	1.9†	def
Gates Learjet	859	1.5	def
Arrow Electronics	860	1.2	def
Crown Central Pet	861	1.2	def
Crane	862	1.2	15.3
Talley Industries	862	1.2	11.6
Anchor Hocking	864	1.1	def
United Brands	865	1.1	13.7
AO Smith	866	1.1	15.2
JP Stevens	867	0.9	7.9
First City Inds	868	0.9	def
USX	869	0.6	def
Black & Decker	870	0.4	def
Allied Supermarkets	871	0.4††	4.8
American Bakeries	872	0.2	12.4
Amfac	872	0.2	def
Diamond Shamrock	874	0.2	def
Control Data	875	0.0	def
Stewart & Stevenson	876	def	def
Lukens	877	def	2.6
US Home	878	def	def
Fluor	879	def	def
National-Standard	880	def	2.2
Lafarge	881	def	6.6
Caterpillar	882	def	10.1
Borman's	883	def	21.1
IU International	884	def	def
Manville	885	def	7.6
GATX	886	def	8.3
Copperweld	887	def	def
Manpower	888	def	def
Dravo	889	def	3.2%
Chicago Pneumatic	890	def	def
Westmoreland Coal	890	def	11.3
Becor Western	892	def	1.5
Koppers	893	def	def
Mack Trucks	894	def	def
Toro	895	def	21.1
Pittston	896	def	1.7
Reynolds Metals	897	def	5.1
Global Marine	898	def	def
People Express	899	def†	def
Eagle-Picher Inds	900	def	def
Great A&P Tea	901	def	8.9
Revere Copper	902	def	def
Nicor	903	def	def
Gearhart Industries	904	def	def
Fedl Natl Mortgage	905	def	11.3
Ramada Inns	906	def	3.9
BF Goodrich	907	def	def
Kaiser Alum & Chem	908	def	def
First Pennsylvania	909	def	def
Alexander & Alexander	910	def††	1.0
Continental Illinois	911	def	4.1
Clark Equipment	912	def	def
Kerr Glass Mfg	913	def	def
Southwest Forest Inds	914	def	def
General Refractories	915	def	31.3
Chromalloy American	916	def	11.1
Genesco	917	def	def
Allegheny Intl	918	def	def
Fairchild Industries	919	def	5.2
Phelps Dodge	920	def	3.2
Athlone Industries	921	def	def
Inland Steel Inds	922	def	def
Northwestern Steel	923	def	2.0
Harnischfeger Inds	924	def	def
Asarco	925	def	def
Smith International	926	def	def
National Intergroup	927	def	def
American Hoist	928	def	def
Imperial Corp of Am	929	def†	10.8
Armco	930	def	def
Western Union	931	def	def
Inco	932	def	def
Interstate Bakeries	933	def	19.5
Mattel	934	def†	11.2
LTV	935	def	def
AMAX	936	def	def
United Merchants	937	def	def
AH Robins	938	def†	NE
Inspiration Resources	939	def	def
Pan Am	940	def	6.3
Bethlehem Steel	941	def	def
Wilson Foods	942	def	def
Tosco	943	def††	def
Eastern Air Lines	944	def	def
Ideal Basic Inds	945	def	def
Wheeling-Pittsburgh	946	def	def
Charter	947	def†	def
Western Air Lines	948	def	def
American Motors	949	def	def
NVF	950	def†	def
Evans Products	951	def	def
Savin	952	def	def
Navistar Intl	953	def†	def
Allis-Chalmers	954	def	def
Texas Air	955	def††	8.1%
Wickes Cos	956	def††	6.6
Storage Technology	957	def	NE
Tiger International	958	def	def
Pullman-Peabody	959	NE	26.0
AM International	959	NE	def
Chrysler	959	NE	31.1
Revlon Group	959	NE	def
Varity Corp	959	NE	34.1
American President		NA	0.7
American Tel & Tel		NA	12.0
AmeriFirst Federal		NA	NA
Ameritech		NA	15.0
Anchor Glass		NA	201.7
Bear Stearns Cos		NA	37.1
Bell Atlantic		NA	14.7
BellSouth		NA	15.1
CalFed		NA	16.9
Carteret Savings		NA	14.5
Castle & Cook		NA	13.0
CenTrust Savings		NA	def
Child World		NA	5.7
Coast S&L Assoc		NA	12.4
Compaq Computer		NA	25.4
Costco Wholesale		NA	10.8
CrossLand Savings		NA	17.4
Cyprus Minerals		NA	def
Dime Savings Bank		NA	NA
Fireman's Fund		NA	12.8
First Federal Mich		NA	31.8
Florida Federal S&L		NA	def
General Mills		NA	25.8
GlenFed		NA	13.3
Gt Am First Savings		NA	18.4
Henley Group		NA	NA
Home Federal S&L		NA	14.8
Home Group		NA	3.3
Kenner Parker Toys		NA	0.5
Leslie Fay Cos		NA	NE
Masco Industries		NA	13.5
MeraBank		NA	18.3
Meritor Financial		NA	def
Morgan Stanley		NA	49.7
Nynex		NA	14.4
Omnicom Group		NA	NA
Pacific Telesis		NA	14.3
Pay'n Save		NA	NA
Premark Intl		NA	NA
Southwestern Bell		NA	13.1
SSMC		NA	NA
Stater Bros		NA	87.6
TCF Banking & Savings		NA	NA
Temple-Inland		NA	8.6
Tops Markets		NA	16.7
Trans World Airlines		NA	def
UNUM Corp		NA	NA
US West		NA	13.7
York International		NA	NA

def: Deficit. NA: Not available. NE: Negative equity. †Four-year average. ††Three-year average.

WHO'S WHERE IN THE INDUSTRY GROUPS

Stock prices were hotter than corporate earnings in 1986. Meanwhile, profitability continued to slip: The average company was unable to match its five-year performance.

INDUSTRY IN THE U.S. HUFFED AND PUFFED through 1986 but couldn't quite make the grade. For the 12 months through Sept. 30, the 1,012 companies in our annual survey of business averaged a return on equity of 13.0%, vs. a 12.6% five-year average. One year ago five-year profitability was 13.7%. Latest 12-month earnings are up 2.8% for the median firm. But real earnings growth (after subtracting a modest 1.5% gain in the Consumer Price Index) is only 1.3%. U.S. business is getting less and less profitable.

Wall Street apparently couldn't have cared less. During the last two years, stock prices steadily climbed to new highs, with the price/earnings multiple on the Wilshire index up from 10.8 at year-end 1984 to 17.5 at present. True, profits are no longer pumped by double-digit inflation, but the expansion of the multiple may be ready for a major correction if earnings don't soon improve.

The top-ranked groups in five-year average return on equity are beverages and tobacco, health, communications media and food distributors. At the bottom are metals, heavy equipment, air transport and coal. Coal, however, posted an 11.3% return on equity in the latest 12 months.

Freight carriers in the air transport industry posted the largest 12-month decline—from a five-year average return of 13.1% to a deficit. Only a few years ago these companies were Wall Street favorites. Times sure change. ■

Yardsticks of management performance

	Profitability					Growth					
	Return on equity					Sales			Earnings per share		
Industry	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Beverages and tobacco	**1**	**21.9%**	**18.2%**	**33.8%**	**6.5%**	**12**	**7.6%**	**11.0%**	**5**	**9.2%**	**10.4%**
Alcoholic beverages		20.3	15.9	33.8	6.5		11.5	8.2		5.0	12.9
Soft drinks		22.6	23.6	68.4	8.8		5.3	12.8		9.1	–14.1
Tobacco		22.8	18.2	26.3	6.5		7.6	19.7		10.1	1.9
Health	**2**	**19.3**	**15.6**	**31.3**	**8.3**	**11**	**8.3**	**13.6**	**3**	**10.5**	**10.5**
Drugs		17.9	17.8	23.1	10.9		4.9	11.0		6.6	10.1
Medical supplies		17.7	15.7	24.4	8.8		9.8	14.7		6.3	24.5
Health care services		24.7	11.4	157.9	4.3		32.5	19.2		24.4	–10.8
Communications media	**3**	**19.1**	**20.9**	**46.0**	**7.3**	**4**	**11.5**	**12.0**	**1**	**15.6**	**9.0**
Publishing		19.1	20.9	50.3	7.4		11.1	11.1		16.3	7.8
Broadcasting		19.1	21.9	85.0	7.3		14.3	12.3		14.9	39.3
Media services		19.1	19.6	10.0	5.4		12.1	16.3		16.8	19.3
Food distributors	**4**	**17.0**	**13.0**	**62.0**	**1.2**	**9**	**9.5**	**8.8**	**4**	**9.6**	**1.2**
Wholesale and supply		16.2	12.0	76.5	1.0		14.3	11.5		7.6	–3.9
Major supermarkets		18.9	10.8	67.0	1.1		10.7	4.7		14.2	–14.9
Regional supermarkets		14.4	14.4	50.9	1.1		7.2	7.5		9.6	7.5
Convenience stores		16.3	10.8	125.7	1.4		19.3	–0.7		11.3	–18.9
Restaurant chains		18.1	12.2	53.8	3.1		9.5	10.1		7.8	0.2

Yardsticks of management performance

	Profitability					Growth					
	Return on equity					Sales			Earnings per share		
Industry	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Electrical equipment	5	16.7%	16.7%	13.9%	6.3%	21	5.2%	7.3%	8	7.1%	9.8%
Financial services	6	16.5	13.9	120.3	3.9	1	15.6	9.2	16	–0.9	8.9
Financial companies		13.9	12.0	149.1	4.9		12.5	8.2		5.6	2.7
Brokerage houses		19.4	18.5	57.9	3.8		23.5	17.9		–5.9	11.3
Commodity traders		8.7	19.1	74.0	1.8		–2.3	–5.9		–0.9	91.9
Retailing	6	16.5	13.0	52.4	2.7	3	12.6	8.8	2	11.6	7.5
Apparel		18.3	13.9	36.6	3.2		15.2	10.2		10.8	19.9
Catalog showrooms		10.0	def	99.8	def		20.1	–1.8		–14.3	P–D
Department stores		13.2	11.8	66.4	3.2		10.6	5.8		10.3	5.5
Discount and variety		17.2	13.9	62.4	1.8		14.9	14.4		26.7	–7.3
Drugs		18.2	14.9	72.2	1.9		13.5	8.1		16.1	–1.1
Jewelry		8.7	12.6	63.2	2.3		3.5	9.6		–2.6	40.6
Shoes		11.6	12.4	34.7	3.2		3.7	6.9		–6.8	21.3
Miscellaneous		18.8	14.7	34.3	2.8		22.0	12.9		17.8	2.3
Industrial, office services	8	15.3	14.5	24.5	4.0	12	7.6	14.2	6	8.8	5.2
Industrial services		18.7	17.6	14.1	4.6		9.9	12.0		11.5	6.1
Office products & services		14.9	13.8	38.0	4.0		6.7	14.2		2.7	4.8
Food processors	9	15.1	14.6	51.3	3.1	20	5.3	6.0	8	7.1	12.9
Food commodities		13.1	11.6	41.4	1.9		4.8	4.7		–6.5	–15.3
Meatpacking		11.9	13.7	80.1	1.6		5.3	2.0		3.0	30.2
Branded foods		16.7	17.0	51.6	4.2		5.5	8.0		8.5	12.8
Banks and thrifts	10	15.0	15.5	41.9	7.8	2	13.7	5.4	7	7.6	12.0
Multinational		13.6	13.4	60.4	6.1		3.3	–4.9		2.9	6.1
Northeast		16.1	17.0	35.0	9.8		14.6	13.8		9.8	15.4
Mid-Atlantic		15.2	17.0	35.4	9.1		13.8	8.1		11.4	10.9
North central		12.4	14.2	24.7	8.5		11.5	5.1		9.0	14.0
Southeast		16.6	17.5	27.6	9.1		14.7	6.9		15.9	11.7
South central		15.6	def	40.3	def		11.8	–14.4		–7.4	P–D
Western		13.7	12.6	54.3	6.3		7.6	2.5		4.6	9.0
Thrift institutions		15.8	17.9	106.1	5.4		23.8	9.5		NM	27.4
Aerospace and defense	11	14.9	12.3	28.1	3.9	23	4.7	5.4	14	0.6	–7.9
Electric utilities	12	14.3	14.5	93.5	13.1	10	8.4	–0.6	10	6.8	2.8
Northeast		14.6	14.6	90.5	13.4		7.8	–1.0		8.4	4.3
North central		14.2	14.5	103.5	12.1		8.2	–0.3		6.5	2.1
Southeast		14.0	13.8	91.7	12.0		11.6	4.7		7.1	0.0
South central		14.1	14.7	99.7	13.5		10.9	–3.7		6.1	0.2
Western		14.5	13.5	85.9	14.6		9.4	0.8		5.8	5.6
Telecommunications	12	14.3	13.3	63.0	8.8	5	11.4	3.6	20	–3.0	3.0
Carriers		14.9	13.7	70.7	10.9		10.0	3.7		5.7	4.4
Manufacturing		13.0	5.7	25.1	2.8		13.6	0.8		–10.6	–20.1
Natural gas	14	14.0	11.3	81.9	4.8	14	7.5	–6.5	11	5.2	–8.5
Producers & pipeliners		12.7	def	115.8	def		5.7	–15.6		–19.5	P–D
Distributors		14.2	13.6	79.4	8.1		8.3	–3.0		7.1	1.2
Integrated		14.2	7.2	76.6	3.5		5.0	–14.1		–4.8	–11.4
Consumer products	15	12.7	13.6	41.7	4.4	26	3.9	7.4	17	–1.7	9.3
Appliances		12.7	16.6	43.6	3.5		7.5	6.7		2.9	3.6
Home furnishings		8.9	8.3	44.5	2.3		1.3	6.0		–6.6	20.8
Household products		18.2	18.3	20.1	6.3		4.6	6.7		2.4	9.1
Personal products		16.4	14.7	43.9	5.4		4.6	9.9		0.4	9.6
Insurance	16	12.6	14.6	17.2	5.8	6	11.1	16.3	12	3.4	48.2
Brokers		9.9	22.8	22.2	7.0		10.8	25.3		–0.8	49.1
Diversified		12.5	15.5	16.4	6.3		10.9	15.6		4.0	43.5
Life and health		13.1	14.3	15.2	5.8		17.3	12.9		10.1	54.2
Property and casualty		11.1	15.0	20.6	5.4		8.7	20.4		–15.1	59.1

P–D: Profit to deficit. def: Deficit. NM: Not meaningful.

Industry medians

Yardsticks of management performance

	Profitability					Growth					
	Return on equity					Sales			Earnings per share		
Industry	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Leisure and recreation	**17**	**12.5%**	**13.4%**	**82.2%**	**5.2%**	**21**	**5.2%**	**21.6%**	**26**	**–10.9%**	**7.7%**
Entertainment		10.4	13.0	74.6	6.4		9.1	14.0		–24.7	2.7
Hotels and gaming		9.8	15.3	123.1	5.9		5.4	5.1		1.2	12.4
Recreation		27.7	16.5	22.6	3.7		6.7	10.4		51.8	14.2
Photography		12.5	9.8	15.6	5.8		–2.6	7.3		–9.6	41.9
Toys and electronics		33.4	7.2	112.9	1.4		24.2	–4.1		NM	–33.9
Computers & electronics	**18**	**12.2**	**6.3**	**20.5**	**3.0**	**7**	**10.9**	**1.8**	**22**	**–4.2**	**–35.3**
Computers		13.1	9.5	24.2	3.5		14.6	7.6		1.9	–1.0
Electronic equipment		12.1	6.3	20.5	3.2		7.8	–0.4		–1.7	–38.9
Semiconductors		8.2	def	21.1	def		13.4	–9.0		NM	P–D
Packaging	**19**	**11.9**	**13.1**	**44.5**	**3.8**	**18**	**6.2**	**6.0**	**13**	**1.3**	**9.6**
Surface transportation	**19**	**11.9**	**10.4**	**81.2**	**3.1**	**15**	**7.2**	**2.9**	**14**	**0.6**	**–10.4**
Railroads		9.5	0.1	79.3	0.3		3.6	–7.3		–2.7	P–D
Trucking and leasing		14.7	14.3	98.4	3.5		8.4	10.9		5.0	18.1
Other surface		13.9	5.6	60.6	2.5		9.4	7.8		0.1	–44.7
Chemicals	**21**	**11.8**	**10.9**	**42.7**	**4.3**	**28**	**1.5**	**1.1**	**25**	**–10.2**	**1.1**
Diversified		10.9	12.7	40.6	4.4		0.9	1.2		–4.1	12.3
Specialized		13.4	9.7	45.7	2.9		2.2	0.9		–10.5	–7.6
Conglomerates	**21**	**11.8**	**9.0**	**60.1**	**2.9**	**27**	**2.3**	**–2.3**	**19**	**–2.3**	**–20.1**
Automotive	**23**	**11.5**	**10.1**	**36.7**	**2.9**	**17**	**6.5**	**3.0**	**21**	**–3.6**	**–29.9**
Automobiles and trucks		6.0	6.8	32.8	2.7		8.6	1.4		NM	–44.7
Automotive parts		11.6	11.6	40.0	2.9		5.5	3.4		–12.6	–26.7
Recreational vehicles		18.5	8.5	8.9	3.1		28.0	–2.8		20.5	–24.8
Tire and rubber		8.5	4.9	38.7	1.7		4.9	4.1		–5.2	–56.1
Apparel, shoes & textiles	**24**	**11.3**	**8.7**	**35.5**	**2.8**	**19**	**5.5**	**–2.1**	**18**	**–2.0**	**39.6**
Apparel		11.7	8.7	20.9	3.3		9.8	–3.3		14.9	25.9
Shoes		17.3	10.4	34.9	2.7		9.4	–1.6		–1.1	9.7
Textiles		9.8	6.6	44.5	2.2		1.0	1.3		–20.0	43.4
Oil	**25**	**10.9**	**def**	**63.1**	**def**	**29**	**0.5**	**–15.4**	**28**	**–34.0**	**P–D**
International oils		12.5	10.3	49.8	4.0		–0.4	–20.0		–8.2	19.8
Other oil and gas		11.0	2.0	70.0	0.3		0.8	–14.8		–28.5	P–D
Oilfield services		5.1	def	69.3	def		–2.7	–19.7		NM	P–D
Construction	**26**	**10.5**	**8.6**	**40.2**	**3.1**	**24**	**4.6**	**2.6**	**24**	**–5.1**	**–8.3**
Residential builders		10.1	13.7	11.5	3.5		9.5	4.1		17.2	13.6
Commercial builders		11.5	5.8	29.0	1.0		2.6	4.1		–29.8	–23.5
Cement and gypsum		5.8	5.0	63.7	2.4		2.7	–1.5		–21.7	–60.1
Lumber		5.3	7.1	58.0	3.8		4.7	–0.4		–7.9	56.2
Other materials		12.1	11.7	41.0	3.8		5.0	4.3		0.2	–10.4
Paper	**27**	**10.4**	**10.4**	**63.5**	**4.6**	**16**	**7.1**	**3.9**	**22**	**–4.2**	**–0.7**
Coal	**28**	**6.4**	**11.3**	**75.5**	**3.8**	**25**	**4.5**	**2.4**	**29**	**NM**	**–13.5**
Air transport	**29**	**6.1**	**2.3**	**83.6**	**0.7**	**8**	**9.8**	**2.7**	**29**	**NM**	**–93.2**
Freight		13.1	def	48.9	def		6.2	1.1		NM	P–D
Airlines		5.0	5.9	148.8	1.2		10.1	9.8		NM	–79.3
Heavy equipment	**30**	**5.7**	**6.7**	**42.8**	**2.2**	**30**	**–2.9**	**1.0**	**27**	**–33.1**	**–37.6**
Agricultural		4.0	15.1	107.1	0.2		–11.6	–3.0		–33.1	P–D
Building and mining		def	def	43.5	def		–8.0	–2.1		NM	P–D
Industrial		8.3	7.9	38.8	2.3		–0.7	1.6		–16.2	–27.9
Metals	**31**	**def**	**def**	**50.7**	**def**	**31**	**–3.7**	**–3.0**	**29**	**NM**	**P–D**
Nonferrous metals		def	def	62.3	def		–4.4	–2.7		NM	P–D
Steel		0.2	0.2	44.6	def		–1.7	–3.8		NM	P–D
All-industry medians		**12.6**	**13.0**	**46.0**	**3.9**		**7.1**	**3.9**		**–0.9**	**2.8**

P-D: Profit to deficit. def: Deficit. NM: Not meaningful.

WHO'S WHERE IN THIS ISSUE

On pages 64 to 213, companies were ranked against their peers in the same industry. On the following pages, organized alphabetically, we show how each of 1,012 companies stacks up against every other company in the survey, regardless of industry. There are three rankings for every corporation: five-year average return on equity, five-year earnings growth and five-year stock market performance. In addition, the last column lists each company's industry survey page. Those companies with more than one page number are in multiple lines of business. In this survey a company can appear in as many as three different industries or subindustries.

Where to find the company

Company	Rank: Profitability	Rank: Growth	Rank: Stock market	Industry survey page
Abbott Laboratories	52	159	203	140, 140
ADT	784	**	734	101
Advanced Micro	227	**	375	101
Aetna Life & Cas	753	712	765	154
HF Ahmanson	787	**	138	74
Air Prods & Chems	453	501	581	93
Albertson's	122	215	190	130
Alcan Aluminium	844	**	733	162
Alco Standard	374	569	505	106, 148
Alexander & Alexander	910	**	806	154
Alexander & Baldwin	467	269	48	210
Alexander's	852	252	124	206
Allegheny Beverage	12	**	509	130
Allegheny International	918	**	923	106, 114
Allegheny Power	396	414	261	120
Allen Group	781	**	675	71
Allied Bancshares	56	192	892	74
Allied-Signal	765	**	719	64, 71
Allied Stores	510	219	75	206
Allied Supermarkets	871	**	58	130, 130
Allis-Chalmers	954	**	949	146
Alltel	407	374	397	212
Alcoa	822	**	730	162
AM International	959	**	704	148
AMAX	936	**	944	97, 162
Amdahl	750	289	702	101
Amerada Hess	832	**	819	198
American Bakeries	872	**	214	134
American Bankers	239	221	518	154
American Brands	156	525	453	78, 106
American Can	818	**	410	154, 206
American Continental	28	12	13	74
American Cyanamid	645	565	328	93, 140
American Electric	606	503	632	120
American Express	255	472	365	126
American Family	362	98	20	154
American General	427	480	348	154
American Greetings	226	129	224	99
American Hoist	928	**	914	114, 146
American Home Prods	24	290	520	114, 140
American Intl Group	281	511	494	154
American Maize	800	**	484	134
American Medical	135	254	862	140
American Motors	949	**	735	71
American Natl Ins	499	160	247	154
American Petrofina	738	**	858	198
American President	**	482	731	210
American Standard	696	714	712	108, 108, 210
American Stores	50	68	60	130, 206
American Tel & Tel	**	**	713	212
AmeriFirst Federal	**	**	**	74
Ameritech	**	**	562	212
AmeriTrust	657	395	327	74
Ames Dept Stores	85	90	33	206
Ametek	140	274	672	146
Amfac	872	**	838	106, 134
Amoco	251	483	740	198
AMP	146	519	488	101
Ampco-Pittsburgh	853	**	819	146, 162
AMR	647	**	80	66
Anchor Glass	**	**	**	202
Anchor Hocking	864	**	615	114, 202
Anheuser-Busch Cos	144	172	163	78
Anixter Bros	392	618	722	212
Apple Computer	10	86	662	101
Archer-Daniels	565	605	538	134
Arden Group	571	139	26	130
Arkansas Best	678	**	59	210
Arkla	294	619	794	164
Armco	930	**	950	162
Armstrong Rubber	590	589	583	71
Armstrong World Inds	658	112	173	108
Arrow Electronics	860	**	927	101
Arvin Industries	621	47	148	71, 114
Asarco	925	**	903	162
Ashland Oil	828	**	603	198
Athlone Industries	921	**	904	162
Guy F Atkinson	620	511	**	108
Atlanta Gas Light	666	351	250	164
Atlantic City Electric	550	466	446	120
Atlantic Richfield	590	**	747	198
Automatic Data	202	217	324	148
Avery International	275	216	298	202
Avnet	476	598	769	101
Avon Products	554	**	827	114
AZP Group	403	444	688	120
Bairnco	397	94	367	101, 108
Baker International	512	**	941	198
Ball Corp	278	228	110	202
Bally Manufacturing	772	**	882	158, 158
Baltimore G&E	434	295	257	120, 164
Banc One	199	226	301	74
Bank of Boston	359	335	344	74
Bank of New England	314	318	245	74
Bank of New York	333	265	343	74
BankAmerica	810	**	880	74
Bankers Trust NY	273	419	402	74
Barnes Group	817	**	617	71
Barnett Banks Fla	228	167	191	74
Bausch & Lomb	478	214	714	140
Baxter Travenol Labs	451	672	800	140
BayBanks	370	331	264	74
Bear Stearns Cos	**	**	**	126
Bearings	697	616	828	146
Becor Western	892	**	872	64, 146
Becton Dickinson	606	541	540	140
Bell & Howell	612	**	137	148
Bell Atlantic	**	**	537	212
BellSouth	**	**	553	212
Bemis	627	338	99	202
Beneficial Corp	802	**	172	126, 154
Bergen Brunswig	196	202	738	140
Berkshire Hathaway	259	30	76	106, 154
Best Products	745	724	836	206
Bethlehem Steel	941	**	945	162
Beverly Enterprises	382	122	427	140
Big Bear	17	88	576	130
Big V Supermarkets	296	637	659	130
Bindley Western Inds	65	110	764	140
Black & Decker	870	**	792	114
H&R Block	81	360	438	126, 148
Blount	220	597	633	108
Boatmen's Bancshares	286	319	353	74
Boeing	280	479	202	64
Boise Cascade	805	607	635	108, 202, 204
Borden	480	332	81	93, 134

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.
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Company	Rank: Profitability	Rank: Growth	Rank: Stock market	Industry survey page
Borg-Warner	532	428	268	71, 93, 148
Borman's	883	**	14	130
Boston Edison	529	427	437	120
Bowater	217	590	**	204
Briggs & Stratton	525	586	700	114
Bristol-Myers	82	218	293	114, 140
Brockway Inc (NY)	806	699	325	202
Brooklyn Union Gas	334	428	511	164
Brown-Forman	107	345	684	78
Brown Group	339	550	423	68, 206
Browning-Ferris Inds	102	144	142	148
Bruno's	27	92	37	130
Brunswick	45	28	36	158
Burlington Inds	789	711	666	68, 114
Burlington Northern	545	342	435	164, 210
Business Men's Assur	560	422	547	154
Butler Manufacturing	824	**	773	108
Cabot	692	**	770	93, 198
Caesars World	685	**	519	158
CalFed	**	4	711	74
California First Bank	735	601	434	74
Cameron Iron Works	809	**	947	198
Campbell Soup	368	313	132	134
Capital Cities/ABC	128	181	160	99, 99
Capital Holding	491	330	284	154
Carlisle Cos	142	567	812	101, 108
Carolina Freight	142	177	65	210
Carolina Power & Lt	486	401	557	120
Carpenter Technology	642	658	884	162
Carson Pirie Scott	667	423	111	130, 206
Carter Hawley Hale	732	611	316	206, 206
Carteret Savings	**	**	601	74
Castle & Cook	**	**	554	134
Caterpillar	882	**	889	146
CBI Industries	636	**	907	93, 108
CBS	670	709	300	99, 158
Ceco Industries	703	593	223	108
Celanese	652	**	114	68, 93
Centel	264	441	628	212
Centerior Energy	387	328	**	120
Centerre Bancorp	702	614	679	74
Centex	516	168	**	108, 108
Central & South West	321	362	420	120
Central Hudson G&E	372	418	645	120
Central Ill Pub Svc	510	443	366	120, 164
Central Maine Power	675	721	699	120
Central Steel & Wire	656	498	639	162
CenTrust Savings	**	**	**	74
CertainTeed	821	**	381	108
Champion Intl	843	**	669	108, 204
Champion Spark Plug	768	663	720	71
Charter	947	**	926	198
Charter Medical	19	42	232	140
Chase Manhattan	541	504	742	74
Chemical New York	357	382	616	74
Chesebrough-Pond's	188	594	728	93, 114, 134
Chevron	522	639	804	198
Chicago Pneumatic	890	**	550	71, 146
Child World	**	**	**	206
Chromalloy American	916	**	750	106, 146
Chrysler	959	2	8	71
Chubb	660	648	294	154
Church's Fried	232	627	741	130
Cigna	858	**	776	126, 154
CILCorp	501	415	286	120, 164
Cincinnati Financial	230	361	146	154
Cincinnati G&E	483	415	637	120, 164
Cincinnati Milacron	855	**	845	146
Circle K	329	**	120	130
Circuit City Stores	48	23	2	206
Citicorp	353	237	560	74
Citizens & Southern	288	261	320	74
CityFed Financial	204	24	54	74
Clark Equipment	912	**	873	71, 146
Clorox	151	137	116	114
CNA Financial	604	124	208	154
CNW	695	**	818	210
Coachmen Industries	217	131	354	71
Coast S&L Assoc	**	**	**	74
Coastal Corp	564	72	691	164, 198
Coca-Cola	94	348	243	78
Coleco Industries	1	**	346	158
Colgate-Palmolive	575	674	424	114
Collins & Aikman	178	32	19	68
Collins Foods Intl	184	102	67	130, 130
Colt Industries	285	**	265	64, 71, 146
Columbia Gas System	722	**	737	164
Columbia S&L	5	133	35	74
Combined Intl	237	383	456	154
Combustion Eng	718	**	843	146
Comdisco	25	45	251	148
Comerica	649	430	408	74
Commerce Bcshs	624	239	359	74
Commercial Credit	842	**	**	126
Commercial Metals	715	650	514	126
Commonwealth Ed	414	316	650	120
Commonwealth Energy	302	196	319	120, 164
Compaq Computer	**	**	744	101
Computer Sciences	405	495	278	64, 148
Computervision	633	**	925	101
ConAgra	103	186	79	134
Consolidated Edison	404	256	267	120
Consol Freightways	229	437	430	210
Consol Natural Gas	362	257	369	164
Consolidated Papers	206	209	131	204
Consumers Power	826	**	830	120, 164
Contel	351	393	619	212
Continental Bancorp	252	403	347	74
Continental Corp	727	693	651	154
Continental Illinois	911	**	**	74
Control Data	875	**	883	101
Cooper Industries	575	681	876	116, 146
Cooper Tire & Rubber	176	493	143	71
Adolph Coors	761	566	447	78
Copperweld	887	**	942	162
CoreStates Financial	186	83	105	74
Corning Glass Works	707	595	527	101, 114, 140
Costco Wholesale	**	**	**	206
CPC International	410	625	536	134, 134
Crane	862	**	670	108
CrossLand Savings	**	**	**	74
Crown Central Pet	861	**	837	198
Crown Cork & Seal	630	445	189	202
CSX	740	**	701	164, 210
Culbro	76	398	77	78, 130
Cullum Cos	192	438	417	130

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Cummins Engine	509	52	627	71
Curtice-Burns Foods	189	179	388	134
Cyclops	795	**	282	162
Cyprus Minerals	**	**	**	97, 162
Dana	614	230	625	71
Data General	733	647	778	101
Datapoint	856	**	**	101
Day International	785	283	399	71, 146
Dayton-Hudson	279	219	296	206
Dean Foods	70	140	55	134
Deere	833	720	898	146
DeKalb	771	662	901	134, 198
Delchamps	134	321	577	130
Delmarva Power & Lt	438	263	339	120
Delta Air Lines	654	**	565	66
Deluxe Check	38	134	126	99
Dennison Mfg	568	680	549	148, 202
DeSoto	584	251	213	108
Detroit Edison	577	435	680	120
Dexter	347	516	535	93
Di Giorgio	808	**	304	130
Diamond Shamrock	874	**	915	198
Dibrell Brothers	116	44	122	78
Digital Equipment	568	509	458	101
Dillard Dept Stores	118	35	9	206
Dime Savings Bank	**	**	**	74
Walt Disney	716	657	235	158
Diversified Energies	311	599	364	164
Dollar General	127	74	89	206
Dominion Bankshares	475	309	416	74
Dominion Resources	623	432	332	120
RR Donnelley	252	170	192	99
Dorsey	711	**	418	202, 210
Dover	109	456	763	106, 108
Dow Chemical	752	718	503	93
Dow Jones	37	149	489	99
DPL	587	642	587	120, 164
Dravo	889	**	809	108, 146
Dresser Industries	819	**	909	146, 198
EI du Pont	629	545	463	93, 198
Duke Power	453	439	451	120
Dun & Bradstreet	16	106	204	99, 99
Duquesne Light	554	463	824	120
DWG	522	671	705	68, 106
Dynalectron	461	656	604	64, 108
E-Systems	124	80	333	64
Eagle-Picher Inds	900	**	390	71, 146
Eastern Air Lines	944	**	663	66
Eastern Gas & Fuel	774	**	758	97, 164
Eastman Kodak	566	696	723	158
Eaton	701	**	474	71, 101
Echlin	432	55	254	71
Economics Laboratory	546	**	311	93, 114
Edison Bros Stores	291	616	**	206, 206
EG&G	41	183	687	64, 101
Emerson Electric	137	397	590	114, 116
Emerson Radio	54	1	15	114
Emery Air Freight	131	564	803	66
Emhart	284	469	444	108, 146
Engelhard	399	638	757	93, 162
Enron	420	579	759	164
Enserch	677	**	900	108, 164
Entex	161	478	716	74, 164
Equifax	106	343	61	126
Equitable of Iowa	746	577	530	154, 206
Equitable Resources	115	248	497	164
Esselte Business Sys	646	104	**	148
Ethyl	439	286	43	93, 154
Evans Products	951	**	965	206
Exxon	223	536	495	198
Fairchild Industries	919	**	834	64
Family Dollar Stores	46	75	50	206
Farm House Foods	705	667	842	130
Farmers Group	246	285	429	154
Federal Co	425	76	158	134, 134
Federal Express	89	266	523	66
Federal-Mogul	384	387	621	71
Fedl Natl Mortgage	905	**	136	126
Federal Paper Board	559	682	460	202, 204
Federated Dept Stores	502	477	370	206
Ferro	737	673	724	93
Fidelcor	266	94	244	74
Fieldcrest Cannon	777	651	291	114
Figgie International	412	476	249	106
Finl Corp of America	543	**	814	74
Fireman's Fund	**	**	**	154
Firestone	813	**	496	71
First Bank System	497	353	277	74
First Boston	51	148	68	126
First Chicago	712	535	665	74
First City Bancorp	659	710	952	74
First City Inds	868	**	789	108, 114
First Executive	7	105	147	154
First Federal Mich	**	**	281	74
First Fidelity Bncp	316	386	178	74
First Interstate Bncp	488	481	696	74
First of America Bank	348	143	133	74
First Pennsylvania	909	**	266	74
First Security	662	684	793	74
First Tennessee Natl	413	286	187	74
First Union	293	127	263	74
First Wachovia	214	128	**	74
First Wisconsin	571	488	197	74
Fischbach	644	**	877	108
Fisher Foods	779	**	856	130
Fleet Financial	207	206	171	74
Fleetwood Enterprises	136	6	182	71, 108
Fleming Cos	233	241	342	130
Florida Federal S&L	**	**	823	74
Florida Natl Banks	325	38	467	74
Florida Progress	445	243	323	120
Flowers Industries	153	189	97	134
Fluor	879	**	929	108
FMC	592	571	104	64, 93
Food Lion	42	99	47	130
Foodarama Supermkts	814	325	57	130
Ford Motor	422	**	29	71
Fort Howard Paper	113	234	439	202, 204
LB Foster	622	**	943	198
Foster Wheeler	473	683	851	108, 146
Foxboro	835	**	887	146
FPL Group	500	358	472	120
Freeport-McMoRan	340	645	870	93, 198
Fruehauf	783	**	177	71, 71
Fuqua Industries	152	254	123	106, 114, 158
GAF	503	**	66	93, 108

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Gannett	112	300	262	99
Gap	141	293	5	206
Gates Learjet	859	**	938	64
GATX	886	**	817	106, 210
Gearhart Industries	904	**	962	198
Geico	22	93	166	154
Gelco	683	**	831	210
GenCorp	786	615	129	64, 71
General Cinema	20	58	93	78, 158
General Dynamics	77	67	260	64
General Electric	159	320	351	64, 114, 116
General Host	80	62	100	206
General Instrument	760	**	935	101, 101, 101
General Mills	**	455	470	130, 134
General Motors	514	10	599	71
General Public Utils	820	27	174	120
General Re	414	654	385	154
General Refractories	915	**	198	146
General Signal	589	665	795	101, 116, 146
Genesco	917	**	919	68, 68, 206
Genuine Parts	187	411	529	206
Georgia-Pacific	799	626	606	108, 204
Gerber Products	322	384	176	134
Getty Petroleum	641	**	119	198
Giant Food	91	82	25	130
Gibraltar Financial	847	**	376	74
Gillette	167	436	170	114
GlenFed	**	**	450	74
Global Marine	898	**	963	198
Godfrey	661	349	49	130
Golden West Finl	93	**	41	74
BF Goodrich	907	**	546	71, 93
Goodyear	637	448	428	71
Gordon Jewelry	680	675	677	206, 206
Gould	857	**	861	64, 101, 101
WR Grace	618	686	786	93, 106, 130
WW Grainger	325	407	483	116
Gt Am First Savings	**	**	345	74
Great A&P Tea	901	39	52	130
Gt Northern Nekoosa	671	646	361	204
Gt Western Financial	811	**	309	74
Greyhound	616	585	507	114, 210
Grumman	362	57	563	64
GTE	602	**	589	212
Gulf & Western	743	**	130	99, 126, 158
Gulf States Utilities	455	531	891	120
Halliburton	584	722	922	108, 198
Handy & Harman	668	702	782	162
Hannaford Bros	149	221	32	130
Hanover Insurance	625	678	141	154
Harcourt Brace	421	155	83	99
Harnischfeger Inds	924	**	725	146, 146
Harris Corp	528	634	865	64, 101
Harsco	599	548	556	64, 106
Hartford National	272	463	303	74
Hartmarx	471	204	363	68, 206
Hasbro	30	14	3	158
Hawaiian Electric	662	417	393	120
Hechinger	166	97	144	206
Heck's	823	**	771	206
G Heileman Brewing	61	451	524	78
HJ Heinz	121	250	22	134
Henley Group	**	**	**	93, 108, 140
Hercules	615	520	409	64, 93
Hershey Foods	176	335	157	134
Hewlett-Packard	202	201	515	101
Highland Superstores	2	19	**	206
Hillenbrand Inds	246	391	159	114, 140
Hilton Hotels	194	529	578	158
Holiday	483	323	380	158
Holly Corp	126	69	306	198
Home Federal S&L	**	**	602	74
Home Group	**	**	**	154
Honeywell	594	561	555	64, 101, 101
George A Hormel	580	488	184	134
Hospital Corp	225	123	736	140
Household International	587	339	220	126, 210
Houston Industries	490	370	569	120
Hubbell	254	377	383	116
Hughes Tool	826	**	946	198
Humana	32	87	726	140
Huntington Bcshs	429	409	337	74
EF Hutton Group	261	689	743	126, 154
IC Industries	729	522	292	106, 134, 210
ICH	15	31	17	154
Ideal Basic Inds	945	**	961	108
Illinois Power	356	412	696	120, 164
Illinois Tool Works	425	575	200	146
Imperial Corp of Am	929	**	761	74
Inco	932	**	848	162
Ingersoll-Rand	815	**	822	146
Inland Steel Inds	922	**	860	162
Insilco	610	574	638	106, 108
Inspiration Resources	939	**	931	93, 162
Integrated Resources	345	388	490	126, 154
Intel	700	723	613	101
Interco	690	619	608	68, 114
InterFirst	725	**	948	74
Intergraph	18	18	242	101
Interlake	720	189	486	162
Intermark	495	**	194	106, 206
IBM	62	192	504	101
Intl Flavors & Frags	148	510	540	93
Intl Minerals & Chem	604	640	849	93
Intl Multifoods	483	606	574	134, 134
International Paper	762	708	592	202, 204
Interpublic Group	245	258	205	99
Interstate Bakeries	933	**	201	134
Iowa-Illinois G&E	301	378	414	120, 164
Iowa Resources	446	459	471	120
Ipalco Enterprises	455	458	391	120
Irving Bank	494	490	567	74
ITT	706	695	623	106, 154, 212
IU International	884	**	811	106, 210
James River Corp Va	110	113	72	202, 204
Jamesway	375	126	44	206
Jefferson-Pilot	548	253	285	154
Jefferson Smurfit	55	389	404	202, 204
Jerrico	332	473	596	130
Jim Walter	739	64	152	106, 108
Johnson & Johnson	172	403	620	114, 140
Johnson Controls	391	224	379	71, 148
Earle M Jorgensen	704	700	841	162
Jostens	104	347	206	99, 206
Joy Manufacturing	688	715	875	146
JWT Group	593	137	653	99

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Company	Rank Profitability	Growth	Stock market	Industry survey page
K mart	581	425	229	206
Kaiser Alum & Chem	908	**	826	162
Kaman	322	146	140	64, 146
Kansas City P&L	290	304	513	120
Kansas City Southern	407	357	703	210
Kansas Power & Light	304	298	240	120, 164
Kaufman & Broad	824	**	361	108, 154
Kay	755	43	482	126, 206
Kellogg	29	272	118	134
Kellwood	611	5	27	68
Kelly Services	64	166	102	148
Kemper	596	636	455	154
Kenner Parker Toys	**	**	**	158
Kentucky Utilities	571	247	302	120
Kerr Glass Mfg	913	**	816	202
Kerr-McGee	687	676	863	198
KeyCorp	387	213	153	74
Kidde	560	612	706	106, 114
Kimberly-Clark	394	426	415	114, 204
KN Energy	546	664	**	164
Knight-Ridder	331	323	230	99
Koppers	893	**	646	93, 108
Kraft	372	365	215	134
Kroger	338	558	469	130
Laclede Gas	366	179	154	164
Lafarge	881	**	852	108
Lear Siegler	214	468	231	64, 71, 106
Leaseway Transport	411	484	609	210
Leggett & Platt	150	144	151	114
Leslie Fay Cos	**	**	**	68
Life Investors	673	118	522	154
Eli Lilly	94	299	357	140
Limited	9	20	4	206
Lincoln National	650	462	462	154
Liquid Air	665	603	667	93
Litton Industries	174	547	690	64, 106
Liz Claiborne	3	22	7	68
Lockheed	14	142	211	64
Loews	87	106	74	78, 154
Lone Star Industries	797	**	797	108
Long Island Lighting	365	364	853	120
Longs Drug Stores	258	375	454	206
Longview Fibre	744	16	692	202, 204
Loral	238	173	424	64
Lorimar-Telepictures	488	**	179	158
Louisiana Land	617	717	807	198
Louisiana-Pacific	849	**	598	108
Louisville G&E	551	452	443	120, 164
Lowe's Cos	266	71	188	206
LTV	935	**	955	64, 162
Lubrizol	440	652	717	93
Lucky Stores	250	555	389	130, 206
Lukens	877	**	791	162
M/A-Com	535	533	920	101, 212
Mack Trucks	894	**	918	71
Macmillan	343	29	69	99
Manhattan Industries	719	**	768	68, 206
Manor Care	44	50	108	140
Manpower	888	**	279	148
Manufacturers Hanover	505	497	760	74
Manufacturers Natl	669	89	98	74
Manville	885	**	951	108
Mapco	417	583	594	198
Marine Midland Banks	671	367	533	74
Marriott	87	150	125	130, 158
Marsh & McLennan Cos	58	553	167	154
Marsh Supermarkets	557	600	308	130
Marshall & Ilsley	377	273	106	74
Martin Marietta	468	**	382	64
Maryland National	406	280	175	74
Masco	210	317	307	108
Masco Industries	**	**	**	71, 146, 198
Mattel	934	**	832	158
Maxicare Health	36	11	568	140
May Dept Stores	380	191	121	206
Mayflower Group	173	48	23	210
Maytag	63	59	181	114
MCA	554	517	259	158
McCormick	208	198	481	134
McDermott Intl	754	698	910	146, 198
McDonald's	97	194	227	130
McDonnell Douglas	480	136	336	64
McGraw-Hill	99	279	491	99
MCI Communications	34	54	869	212
McKesson	520	584	611	140
McLean Industries	320	**	939	210
MCorp	257	551	932	74
Mead	757	**	403	202, 204
Media General	343	454	464	99, 204
Mellon Bank	551	486	689	74
Melville	79	275	248	206, 206
MeraBank	**	**	101	74
Mercantile Bancorp	432	495	386	74
Mercantile Stores	276	158	109	206
Merck	129	408	421	140
Meredith	181	205	209	99, 99
Meridian Bancorp	384	311	500	74
Meritor Financial	**	**	881	74
Merrill Lynch	401	655	465	126
Fred Meyer	78	36	**	130, 206
Michigan National	801	**	572	74
Middle South Utils	518	527	799	120
Midlantic Banks	125	315	145	74
Herman Miller	100	119	349	148
Minn Mining & Mfg	189	534	558	106
Minstar	47	3	1	158, 210
Mitchell Energy	212	693	913	164, 198
Mobil	640	687	659	198, 206
Mohasco	798	**	233	114
Monarch Capital	609	294	341	154
Monfort of Colorado	35	327	11	134
Monsanto	712	**	515	93
Montana Power	434	528	682	97, 120, 164
Moore	370	500	584	148
Moore McCormack	776	701	885	106, 108
JP Morgan	315	234	282	74
Morgan Stanley	**	**	**	126
Morrison	311	390	237	130, 130
Morrison-Knudsen	522	499	656	108
Morse Shoe	749	**	468	206
Morton Thiokol	73	116	199	64, 93
Motorola	548	653	579	101, 212
Munford	382	46	295	130
Murphy Oil	369	659	850	198
Nacco Industries	231	17	228	97, 146
Nalco Chemical	114	538	800	93

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Nash Finch	516	487	154	130, 130
Nashua	838	**	331	148
National City	498	244	212	74
Natl Convenience	75	337	708	130
National Distillers	747	660	612	93, 198
National Fuel Gas	436	229	287	164
National Intergroup	927	**	899	140, 198
National Medical	163	121	582	140
Natl Semiconductor	770	**	648	101, 101
National Service	195	351	168	116, 148
National-Standard	880	**	847	162
Navistar Intl	953	**	866	71
NBD Bancorp	619	302	183	74
NCNB	298	240	312	74
NCR	443	327	128	101
New England Electric	263	237	395	120
NY State E&G	419	440	485	120
New York Times	108	117	63	99
Newmont Mining	846	**	732	162
Niagara Mohawk Power	395	369	707	120, 164
Nicor	903	**	839	164
NIKE	11	568	829	68, 68
NL Industries	793	**	956	93, 198
Nordstrom	221	178	56	206
Norfolk Southern	579	570	683	210
Norstar Bancorp	341	394	378	74
Nortek	557	470	585	108
North Amer Philips	582	507	540	101, 114
Northeast Utilities	318	135	289	120
No Indiana Pub Svc	721	554	798	120, 164
No States Power	310	231	288	120, 164
Northern Trust	727	622	216	74
Northrop	239	51	412	64
Northwestern Natl Life	758	544	445	154
Northwestern Steel	923	**	906	162
Norton	837	**	840	146
Norwest	688	641	681	74
Nucor	341	433	686	162
NVF	950	**	958	106, 162
NWA	812	13	510	66
Nynex	**	**	540	212
Occidental Petroleum	599	705	790	134, 198
Ogden	736	**	636	134, 148
Ogilvy Group	139	223	411	99
Ohio Casualty	637	670	597	154
Ohio Edison	447	346	624	120
Oklahoma G&E	463	431	405	120
Old Republic Intl	256	381	457	154
Olin	834	**	593	93
Omnicom Group	**	**	783	99
Oneok	460	629	748	164
Orange & Rockland	469	448	368	120, 164
Orion Capital	804	**	587	154
Outboard Marine	632	25	269	158
Owens-Corning	664	91	**	108
Owens-Illinois	734	523	290	202
Oxford Industries	236	187	384	68
Paccar	597	514	739	71
Pacific G&E	428	344	441	120, 164
Pacific Lighting	521	581	629	164, 206
Pacific Resources	679	**	766	198
Pacific Telesis	**	**	580	212
PacifiCorp	348	400	539	97, 120, 212
PaineWebber Group	169	609	499	126
Pan Am	940	**	526	66
Panhandle Eastern	457	660	**	164
Parker-Hannifin	478	540	655	64, 146
Pay'n Save	**	**	**	206
Payless Cashways	205	153	480	206
Penn Central	742	**	534	106, 198
Penn Traffic	682	474	150	130
JC Penney	537	380	305	206
Pennsylvania P&L	577	549	459	120
Pennwalt	816	**	571	93
Pennzoil	448	692	692	198
Pentair	241	366	272	146, 204
People Express	899	**	878	66
Peoples Energy	305	286	313	164
PepsiCo	213	373	479	78, 130, 134
Perini	780	**	**	108
Perkin-Elmer	451	557	815	64, 101
Perry Drug Stores	430	165	156	206, 206
Petrie Stores	147	372	271	206
Pfizer	160	154	492	140
Phelps Dodge	920	**	912	162
PHH Group	111	248	727	148
Philadelphia Electric	493	441	643	120
Philip Morris Cos	60	188	318	78
Phillips Petroleum	530	623	864	198
Phillips-Van Heusen	630	100	73	68
Piedmont Aviation	244	446	544	66
Pillsbury	268	305	164	130, 134
Pioneer Hi-Bred Intl	105	379	777	134
Pitney Bowes	223	212	71	101
Pittston	896	**	921	66, 97
Pittway	354	470	570	99, 114, 202
PNC Financial	243	211	552	74
Polaroid	838	643	210	158
Ponderosa	691	588	335	130
Portland General	322	398	358	120
Potlatch	773	596	600	108, 204
Potomac Electric	387	259	180	120
PPG Industries	473	334	165	71, 108
Premark Intl	**	**	**	114, 114
Price Co	4	15	313	206
Primark	686	56	219	164
Prime Computer	72	303	819	101
Procter & Gamble	222	501	605	114, 114
Provident Life & Acc	462	210	626	154
PS Group	759	**	668	66
Public Service Colo	566	532	762	120, 164
Public Service Ind	603	691	868	120
Public Service NH	480	542	905	120
Public Service NM	443	580	698	120, 164
Public Svc Enterprise	539	396	436	120, 164
Pueblo International	726	281	64	130
Puget Sound P&L	553	572	649	120
Pullman-Peabody	959	**	273	106
Pulte Home	69	164	169	108
Purolator Courier	530	**	874	66, 71
Quaker Oats	287	368	113	134
Quaker State Oil	543	491	502	198
Questar	377	232	431	164
Rainier Bancorp	472	314	432	74
Ralston Purina	181	130	53	134
Ramada Inns	906	**	784	158

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.
Note: A repeated page number indicates that the company is listed in more than one subindustry.

Where to find the company

Company	Rank: Profitability	Rank: Growth	Rank: Stock market	Industry survey page
Raychem	540	613	710	116
Raytheon	181	518	630	64, 106
Reichhold Chemicals	831	**	377	93
Reliance Group	170	40	**	154
Republic New York	193	506	521	74
RepublicBank	346	521	902	74
Research-Cottrell	850	**	531	148
Resorts Intl	802	**	275	158
Revco DS	198	494	440	206
Revere Copper	902	**	694	162
Revlon Group	959	**	221	114
Rexnord	791	635	796	146
Reynolds Metals	897	**	573	162
Riggs National	570	453	460	74
Rite Aid	86	196	255	206
RJR Nabisco	90	308	372	78, 134
RLC	716	685	621	210
Roadway Services	200	465	613	210
HH Robertson	730	**	934	108
AH Robins	938	**	871	140
Rochester G&E	381	278	640	120, 164
Rockwell Intl	157	169	401	64, 71
Rohm & Haas	376	202	207	93
Rohr Industries	165	9	88	64
Rollins	217	340	**	148
Roper Corp	709	**	62	114
Rorer Group	175	546	466	140
Rose's Stores	291	78	28	206
Rubbermaid	145	96	85	114
Ruddick	436	402	449	130
Ryan Homes	676	157	396	108
Ryder System	234	225	162	210
Rykoff-Sexton	504	384	258	130
Ryland Group	270	77	78	108
Safeco	532	270	326	154
Safeway Stores	476	284	96	130
St Paul Cos	756	**	685	154
Salomon	130	555	253	126, 126
San Diego G&E	283	125	280	120
Santa Fe Southern	683	539	752	210
Sara Lee	184	275	117	134
Savannah Foods	23	277	352	134
Savin	952	**	937	148
Scana	466	409	355	120, 164
Schering-Plough	440	563	299	114, 140
Schlumberger	84	679	908	198
SCI Systems	191	41	422	101
Scott Paper	674	406	149	114, 204
Scotty's	392	484	751	206
Seagram	626	447	225	78
Sealed Power	350	194	652	71
Sears, Roebuck	594	176	360	154, 206
Seaway Food Town	639	649	525	130
Security Pacific	300	310	512	74
Service Merchandise	299	631	634	206
ServiceMaster Inds	8	146	564	148
Shaklee	179	591	586	114
Shaw Industries	158	49	21	114
Shaw's Supermarkets	59	152	**	130
Shawmut	507	291	350	74
Sherwin-Williams	366	120	87	206, 206
Shoney's	74	114	139	130
Signet Banking	402	84	112	74
Singer	714	**	274	64
Skyline	775	405	835	71, 108
AO Smith	866	**	322	71
Smith International	926	**	959	198
Smithfield Foods	680	475	31	134
SmithKline Beckman	43	420	755	140, 140
Snap-on Tools	155	306	400	71
Society	574	296	218	74
Sonat	424	**	859	164
Sonoco Products	268	376	239	202
Soo Line	769	**	890	210
Southeast Banking	519	530	498	74
Southern Calif Edison	309	260	442	120
Southern C[illegible]any	398	300	506	120
So New [illegible]d Tel	491	434	398	212
Southern [illegible]on	790	**	917	164
Southland	289	233	392	130, 198
Southmark	92	7	394	126
Southwest Airlines	209	456	566	66
Southwest Forest Inds	914	**	772	108, 204
Southwest Gas	496	161	433	164
Southwestern Bell	**	**	591	212
Southwestern Pub Svc	138	268	386	120
Sovran Financial	274	200	671	74
Springs Industries	708	515	501	68, 114
Square D	249	578	676	116
Squibb	414	271	226	140
SSMC	**	**	**	114
Staley Continental	698	725	754	130, 134
Stanadyne	296	173	575	108, 146
Std Commercial Tob	325	587	283	78
Standard Oil	83	707	787	198
Stanley Works	431	363	487	114, 146
State Street Boston	117	151	34	74
Stater Bros	**	**	**	130
Sterling Drug	384	552	532	114, 140
JP Stevens	867	**	493	68, 114
Stewart & Stevenson	876	**	928	146
Stewart-Warner	796	669	774	146
Stone Container	723	**	135	204
Stop & Shop Cos	197	182	45	130, 206
Storage Technology	957	**	960	101
Strawbridge	470	111	30	206
Student Loan	13	21	371	126
Subaru of America	6	61	92	71
Sun Chemical	740	706	236	93, 101
Sun Company	512	633	767	198
Sundstrand	399	610	749	64, 146
SunTrust Banks	216	207	**	74
Super Food Services	459	65	51	130
Super Rite Foods	49	101	844	130, 130
Super Valu Stores	66	267	477	130
Supermarkets General	119	163	46	130
Sysco	164	185	270	130
Talley Industries	862	**	86	64, 114
Tandem Computers	351	175	753	101
Tandy	26	199	775	101, 206
TCF Banking & Saving	**	**	**	74
TECO Energy	417	461	419	120
Tecumseh Products	355	371	561	146
Tektronix	505	537	779	101
Tele-Communications	767	329	82	99
Teledyne	53	108	478	64, 106, 154
Telex	33	26	16	101
Temple-Inland	**	**	641	108, 202

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.
Note: A repeated page number indicates that the company is listed in more than one subindustry.

Company	Rank Profitability	Growth	Stock market	Industry survey page
Tenneco	634	713	781	106, 164, 198
Tesoro Petroleum	791	**	911	198
Texaco	694	703	805	198
Texas Air	955	**	40	66
Texas American Bcshs	534	624	916	74
Texas Commerce Bcshs	246	632	897	74
Texas Eastern	584	704	785	164
Texas Industries	542	690	780	108, 162
Texas Instruments	793	**	709	64, 101
Texas Utilities	319	423	647	120
Textron	654	264	452	64, 106
Third National	313	156	90	74
Thorn Apple Valley	830	**	867	134
TIE/Communications	265	**	933	212
Tiger International	958	**	930	66
Time Inc	170	53	715	99, 99
Times Mirror	210	236	329	99
Timken	840	**	894	146, 162
Todd Shipyards	241	**	855	64
Tops Markets	**	**	**	130
Torchmark	409	171	115	154
Toro	895	**	196	114
Tosco	943	**	953	198
Toys "R" Us	68	79	95	206
Tracor	306	526	718	64
Trans World Airlines	**	**	610	66
Transamerica	635	644	695	154
Transco Energy	295	560	825	164
Transworld	133	60	**	130, 158
Travelers	643	576	548	154
Triangle Industries	601	**	18	202
Tribune	608	356	559	99
Trinity Industries	764	**	808	108
Trinova	731	33	241	146
TRW	560	**	642	64, 71
Turner	71	325	678	108
Tyco Laboratories	168	492	42	108, 202
Tyler	464	561	810	93, 101, 108
Tyson Foods	96	8	6	134
UAL	841	**	185	66
UGI	836	**	813	164, 198
Union Camp	563	621	517	202, 204
Union Carbide	848	**	729	93
Union Electric	360	358	309	120
Union Pacific	647	582	788	198, 210
Unisys	723	115	448	101
United Artists	277	81	12	158
United Banks of Colo	537	450	756	74
United Brands	865	**	330	134, 134
United Financial	766	**	896	74
United Illuminating	259	322	618	120
United Merchants	937	**	313	68, 68
US Bancorp	507	524	644	74
US Home	878	**	888	108
US Shoe	200	467	321	68, 206
US Tobacco	40	141	356	78
United Stationers	66	109	297	148
United Technologies	448	604	508	64, 108
United Telecom	536	719	746	212
United Virginia Bkshs	261	245	238	74
Univar	360	572	**	93
Universal Foods	325	413	334	134
Universal Leaf	180	311	426	78, 154
Unocal	377	628	893	198
UNUM Corp	**	**	**	154
Upjohn	281	504	186	140
US West	**	**	551	212
USAir Group	308	511	222	66
USF&G	778	**	607	154
USG	316	103	103	108, 108
USLife	698	**	545	154
USX	869	**	885	162, 198
Utah Power & Light	583	559	657	120
Valero Energy	457	**	936	164, 198
Valley National	450	460	673	74
Varian Associates	692	592	657	101
Varity Corp	959	**	802	71, 146
VF	31	73	38	68
Vulcan Materials	336	543	475	93, 108
Wal-Mart Stores	21	37	24	206
Waldbaum	440	354	195	130
Walgreen	101	132	70	206
Wang Laboratories	123	667	886	101
Warner Communications	851	**	857	158
Warner-Lambert	807	**	407	140
Washington Gas Light	526	349	654	164
Washington National	748	666	661	154
Washington Post	57	63	91	99
Waste Management	132	162	246	148
Del E Webb	751	34	161	108, 158
Weis Markets	153	246	193	130
Wells Fargo	487	354	127	74
Wendy's Intl	98	183	338	130
West Point-Pepperell	628	602	473	68, 114
Western Air Lines	948	**	373	66
Western Co No Amer	845	**	964	198
Western S&L	39	**	10	74
Western Union	931	**	954	212
Westinghouse	334	392	107	64, 116
Westmoreland Coal	890	**	879	97
Westvaco	598	508	664	204
Wetterau	514	85	233	130
Weyerhaeuser	782	630	745	108, 204
Wheeling-Pittsburgh	946	**	940	162
Whirlpool	235	242	317	114
Whittaker	465	688	833	93, 146
Wickes Cos	956	**	924	206
Wicor	613	292	476	164
Willamette Inds	710	262	406	108, 204
Williams Cos	763	697	854	93, 164
Wilson Foods	942	**	631	134
Winn-Dixie Stores	162	421	374	130
Wisconsin Electric	336	207	256	120, 164
Wisconsin P&L	303	307	340	120, 164
Wisconsin Public Svc	357	296	276	120, 164
Witco	390	341	217	93, 198
FW Woolworth	828	**	94	206, 206
Worthington Inds	120	332	413	162
Wm Wrigley Jr	330	282	134	134
Wyman-Gordon	307	716	846	64
Xerox	650	677	721	148, 154
Yellow Freight System	422	66	84	210
York International	**	**	**	108
Zale	854	**	528	206
Zapata	652	**	957	134, 198
Zayre	270	70	39	206, 206
Zenith Electronics	788	**	595	101, 114
Zurn Industries	527	608	674	146

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **Not ranked.
Note: A repeated page number indicates that the company is listed in more than one subindustry.

Edited by Laura Saunders

A few surprises await investors who have been trying to figure what the new law will do to corporate tax rates.

Winners and losers

FRANKLY, I was surprised," says Mark Starcher. "I thought tax reform would help department stores and health care firms more, and hurt drug manufacturers more." Wall Street types will probably be surprised as well, for the same reasons.

Starcher is counsel at Tax Analysts, an Arlington, Va.-based nonprofit publisher of tax information. Recently he completed a study of the tax act's effect on about 1,000 large public companies. For each, he used 1985 shareholder reports to figure out what the companies actually paid Uncle Sam as a percentage of domestic income. (In addition to current, or immediately payable, taxes, Starcher counted deferred, or postponed, taxes where it appeared that the deferral would last for only a few years.) Then Starcher estimated what the companies would have paid if the 1986 act had been in effect.

He found some suspicions confirmed, others not. If the results of the study hold good, the overall U.S. tax burden on companies will rise to 25.7%, from 20.9%. That should please lawmakers; it's just what they intended when they rewrote the rules last summer.

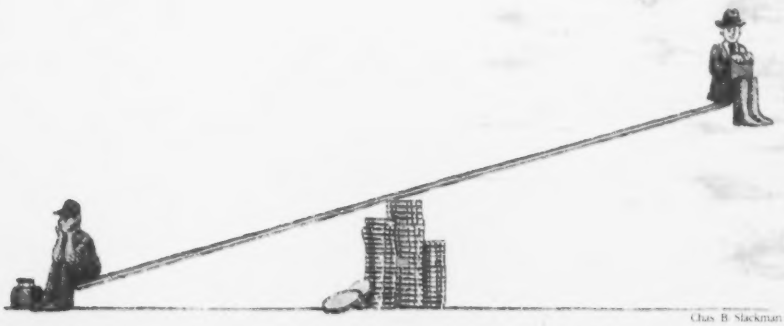
The big losers, as expected, will be in capital-intensive industries like mining (a rise of 29.3 percentage points in the average tax rate, to 37.5%), natural gas transmission companies (up by 16.9 percentage points), and chemicals (up 14.8 points). These industries have relied heavily on the 10% investment tax credit and accelerated depreciation, so they haven't been paying anything close to the old law's basic 46% corporate tax rate. "In general, if you relied on the [investment credit], then you are going to lose," explains Starcher.

The winners? Firms that rely on investments in labor more than in capital. Wholesalers will see their tax rates drop 6.2 percentage points, apparel retailers 5.9 points and furniture makers 7.4.

Department stores as a group will, surprisingly, pay a bit more. J.C. Penney will have a tax rate 8.6 points higher. Health care firm will do worse. Says Starcher, "I think some department stores have large real estate investments which will be affected by lengthened depreciation, and many of the health care companies have invested heavily in electronic equipment."

The average drug company will see its rate go down slightly. The industry doesn't rely much on the investment credit and has managed to save its most visible tax benefit, a credit for manufacturing in Puerto Rico. It salvaged most of the research and development credit as well.

One caveat: For simplicity, the study assumes no change in behavior in response to the law, an assumption that won't hold. As Starcher himself says, "Never, but never, underestimate the ingenuity of tax lawyers and accountants."—L.S.



Chas. B. Slackman

Ouch

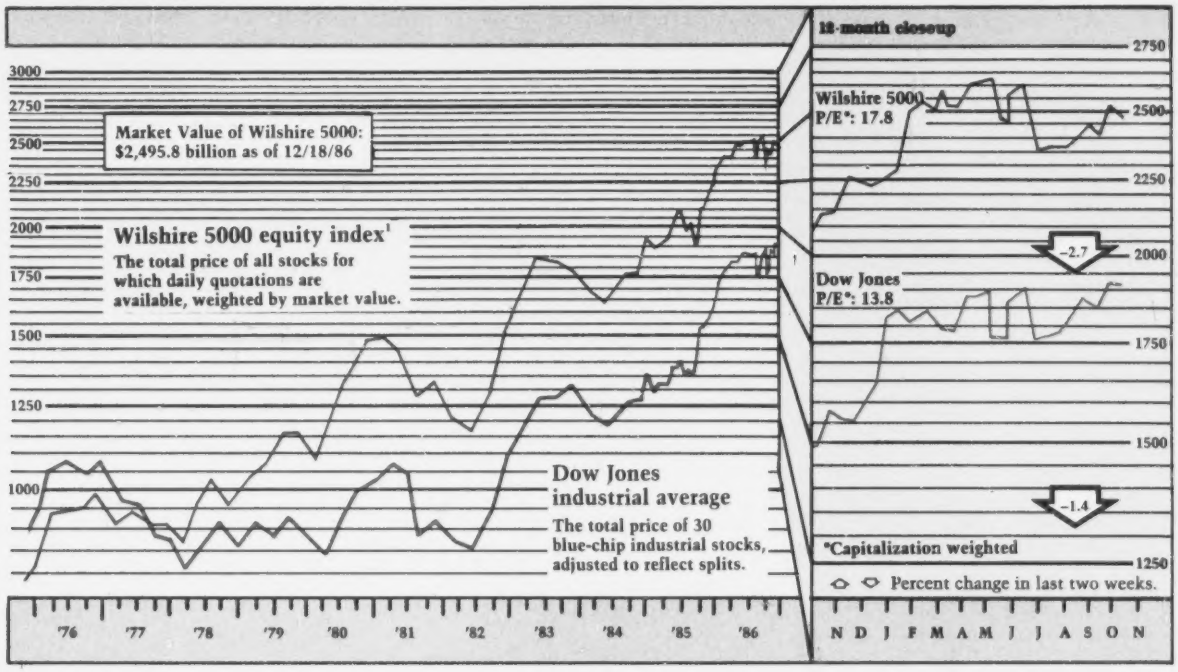
Some industries will see their effective tax rates drop by 1988. But overall, the corporate burden will rise 4.7 points.

Industry	Change in tax rate*	New tax rate
mining	+29.3%	37.5%
gas pipeline	+16.9	21.6
chemicals	+14.8	35.8
motor vehicles	+14.0	40.5
electric utilities	+13.7	25.2
shipping	+11.6	10.4
semiconductors	+11.3	27.2
lumber	+10.1	29.7
paper	+9.8	26.1
construction	+9.6	18.7
US industry average	**+4.7%**	**25.7%**
furniture	–7.4%	30.8%
tobacco	–7.1	30.9
apparel mfg	–6.6	33.9
wholesaling	–6.2	28.6
advertising	–6.1	20.4
apparel retailing	–5.9	27.5
drug retailing	–5.7	30.7
insurance brokerage	–5.5	40.8
paper products	–5.4	29.4
stock brokerage	–5.0	26.8

*Change in effective tax rate, in percentage points. (An increase from a 10% rate to a 15% rate would be shown as +5%.)

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



A thumb on the scale. The 30 blue-chip stocks that compose the Dow Jones industrial average make up roughly 19.5% of the capitalization of the NYSE and 17% of the whole market as measured by the Wilshire index of 5,800 stocks. All it takes is a handful of Dow issues such as Kodak, General Electric, Merck, Minnesota Mining & Manufacturing, Procter & Gamble and Westinghouse to trade close to their 52-week high, and the market looks good. Even though the Dow is off some 2.2% from its early December peak, it still shows a much better record than the rest of the market. The Wilshire index peaked on July 2, at 2598, and has since fallen 4.8%, to 2474. (This differs slightly from the $2,496 billion total value of Wilshire stocks because the index is adjusted to reflect stock retirements and takeovers.) The Amex and Nasdaq, which hit highs at about the same time as the Wilshire, show respective drops of 8% and 14.5% from their peaks. The NYSE, which crested in early September, is off 3.2%.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	1.2	1.9	2.8	1.5	0.3	–0.2
in last 52 weeks	15.0	12.6	23.9	16.9	7.7	8.9

Stock performance based on six key investor yardsticks

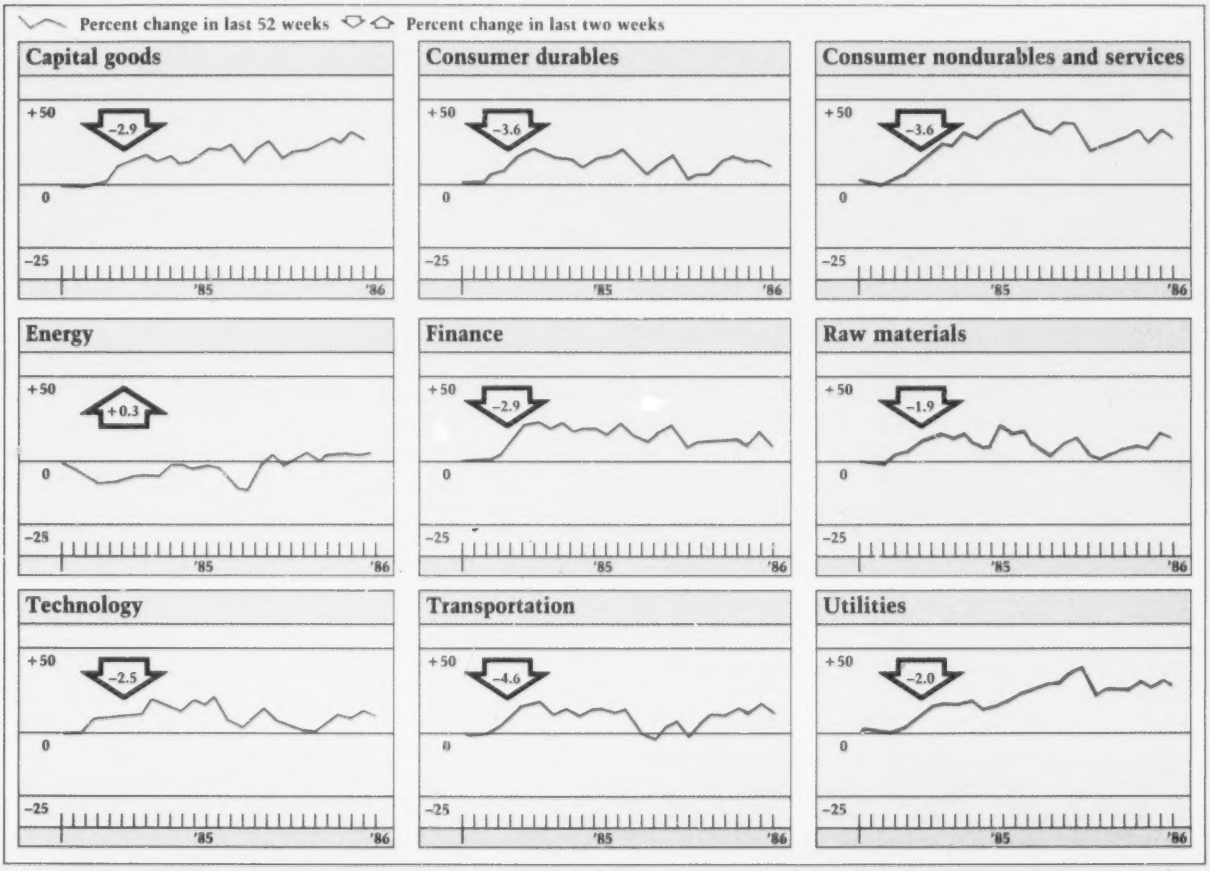
Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	1.3	–2.2	–4.4	–0.1	–0.8	–0.6	–0.5	–0.5	–3.9	–0.0	1.2	–4.2
in last 52 weeks	19.3	34.3	44.6	22.5	11.3	20.8	16.3	28.4	35.1	26.3	24.0	19.0

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 12/18/86. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Where's the holiday spirit? Investors decided it is better to sell than to buy. During the last two weeks the overall market, as measured by the Wilshire index, fell 2.7%. Transportation issues, with a 4.6% drop, registered the biggest decline. Hardest hit was Pan Am, which fell 19%, while KLM Royal Dutch Airlines and Southwest Airlines were off nearly 10%. Two railroads, Santa Fe Southern Pacific and Burlington Northern, lost nearly 9%. Both consumer sectors, with equal 3.6% declines, also fared worse than the market. The only group to attract investors' attention was energy, which eked out a 0.3% gain. There were no superstars in the oil sector, but enough stocks posted small percentage gains to move the entire group into positive territory.



What The Analysts Think

Who believes them, anyway? During the past two weeks analysts made the largest upward revisions in their 1986 estimates for transportation companies. Wall Street responded by dumping transportation stocks. Among companies with higher forecasts are Burlington Northern and KLM, two of the big losers on Wall Street *(see above)*.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.69	16.3
1986 estimates	3.12	14.1
1987 estimates	3.76	11.7

Rank based on change in estimate	Sector	Estimated 1986 EPS	Estimated 1986 P/E	% change in 1986 estimate in 2 weeks	% change in 1986 estimate in 4 weeks
1	Transportation	$1.48	19.8	4.52%	0.84%
2	Consumer durables	3.74	12.4	0.81	-0.88
3	Utilities	3.27	10.7	0.02	-0.09
4	Finance	3.05	11.1	-0.23	-0.88
5	Consumer nondurables	2.13	17.0	-0.34	-0.81
6	Technology	2.47	15.7	-0.63	-2.46
7	Raw materials	1.74	18.6	-0.70	-2.06
8	Capital goods	2.23	18.8	-0.86	-3.11
9	Energy	1.99	16.8	-1.65	-3.67

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 12/18/86. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

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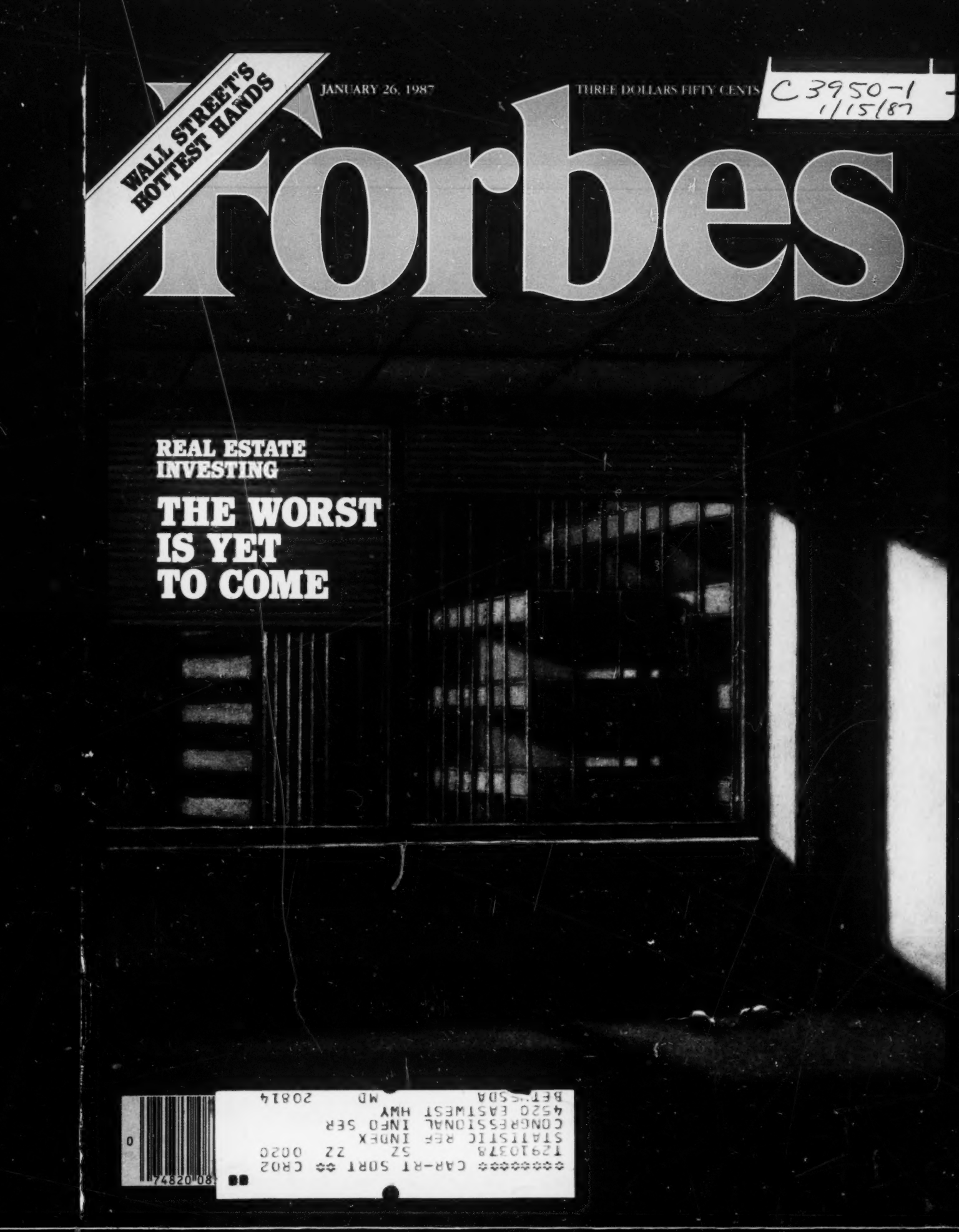
JANUARY 26, 1987

THREE DOLLARS FIFTY CENTS

WALL STREET'S HOTTEST HANDS

Forbes



REAL ESTATE INVESTING

THE WORST IS YET TO COME

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Forbes

JANUARY 26, 1987
VOLUME 139
NUMBER 2

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January 26, 1987 Volume 139 Number 2 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $42 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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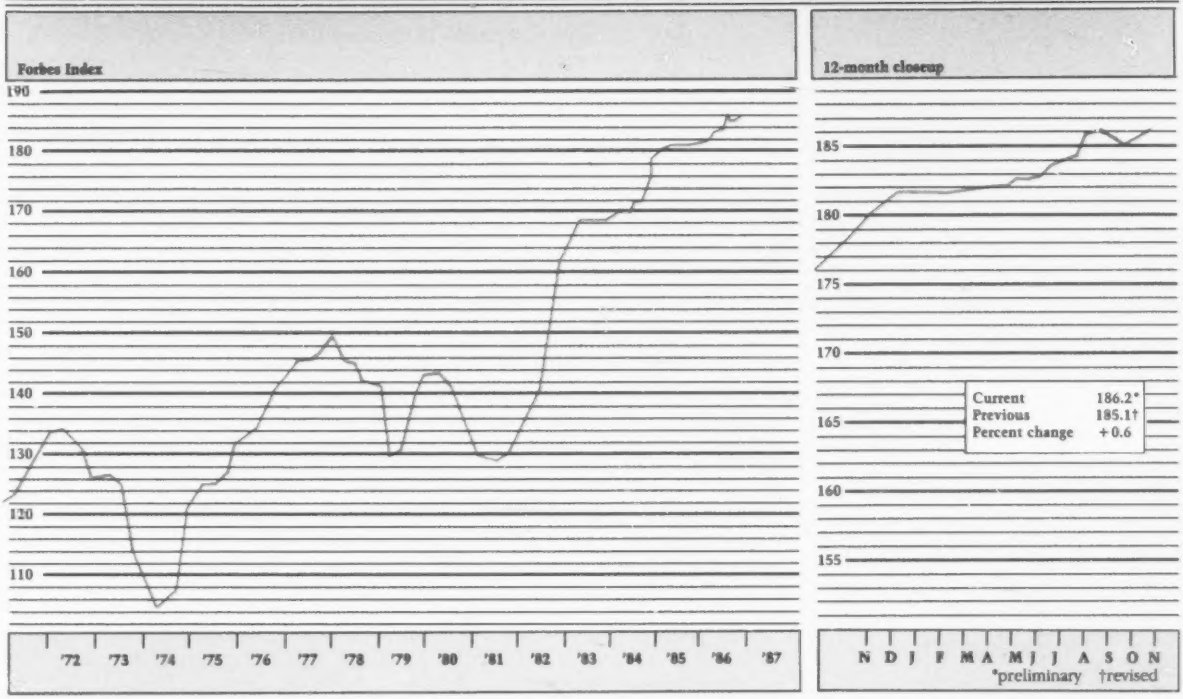
The Forbes Index



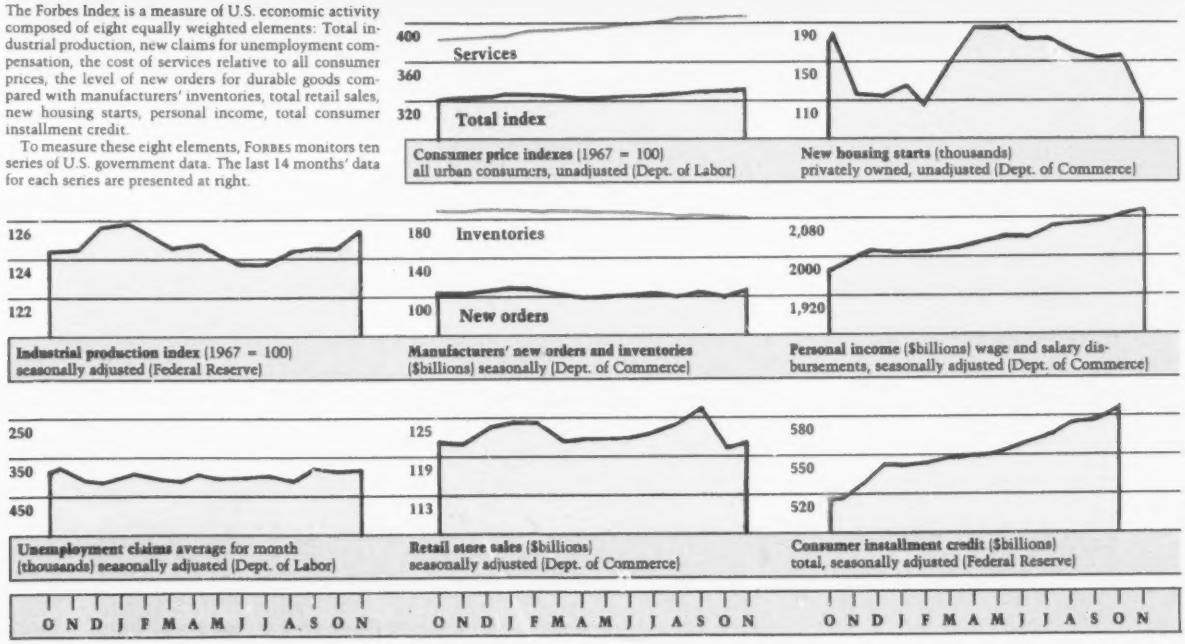
Defense spending boosts the Index. The Forbes Index rose 0.6% during November, following a 0.5% decline the previous month. Helping the Index get back on track was a 1.5% increase in the ratio of manufacturers' new orders for durable goods to inventories. From October to November durable goods orders climbed 5.5%, while inventories rose by 0.2%. But don't look for a big turnaround in manufacturing; the increase in durable goods orders was mainly the result of a burst of military spending.

Inflation remains in check. Despite a relatively weaker dollar that is raising the price of imports, the Consumer Price Index went up by only 0.1% in November. The services component of the CPI failed to post a gain for the first time since December 1982.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Foreigners and pension funds are paying enormous prices for prime buildings. But don't be fooled.

Commercial real estate— the worst is yet to come

By Richard L. Stern and Howard Rudnitsky

IN THE LATE 1970s Manhattan's prime commercial real estate was being unloaded for a rock-bottom $70 to $100 a square foot, and the pundits were wailing of market collapse and bankruptcy. Canada's shrewd Reichmann brothers poured more than $300 million into blue-chip city office properties on behalf of their Olympia & York Equity Corp. Those Reichmann properties are now worth far more than $1 billion. Today, too, with inflation way down and overbuilding rampant, commercial real estate prices have turned soft. But people peddling real estate are encouraging the thought that now is the time to buy. Be another Reichmann, they urge.

Don't take the bait.

Yes, we read the papers, too. The Japanese shelled out $600 million (a single-building record) for New York's Exxon Building and $620 million for the Arco Plaza twin towers in Los Angeles. But remember: These are exceptional properties purchased by people who can afford to overpay and who can hang in for the long haul.

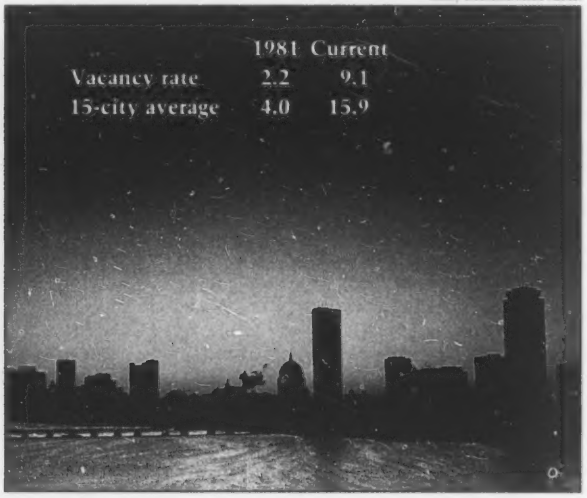
Then there are the rest, all of those none-too-exceptional properties, many heavily polluted with debt, that are the bulk of the nastiest and softest real estate market since World War II. They are the office buildings, hotels and shopping centers that were built, bought or sold often for no reason other than that the Wall Street wizards and financial packagers, with their debt-without-fear philosophies, could latch on to construction money. And for these, FORBES concludes, commercial real estate prices have yet to fully adjust to slowed inflation and overbuilding fueled by the old tax law.

Before this market turns, the defaults, fire sales and writedowns could well force a decline in real estate values, nationwide, that could reach $40 billion to $50 billion, greatly exceeding the wrenching losses of the mid-Seventies, which was the worst bust since World War II. "It looks like real estate's turn for a prolonged bear market

Steve Elmore/Click Chicago

Atlanta

Randy Duchaine/Stock Market



Boston

All vacancy rate data from Coldwell Banker for downtowns only.

into the 1990s, the same as it was for stocks and bonds in the 1970s," says Peter Aldrich, of the Boston real estate investment firm Aldrich, Eastman & Waltch.

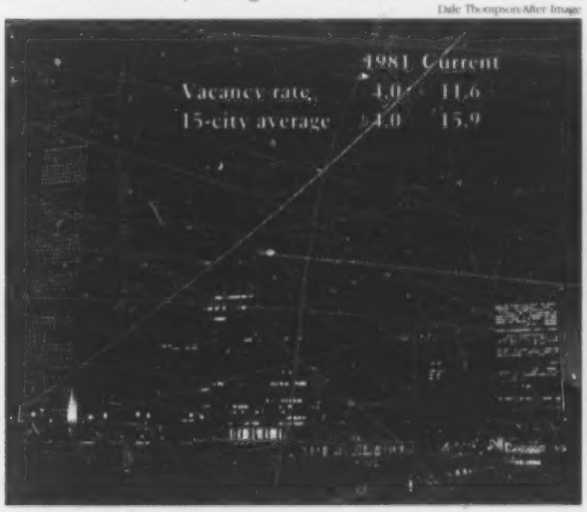
Some of the reasons will sound familiar. One, of course, is the sharp slowing of inflation. A lot of these buildings were sold on the basis not of current cash flow but of expected inflationary gains down the road. Another reason is the new tax law and its far less generous rules, which now make it more difficult to carry high-vacancy buildings. These two factors alone would have been enough to deepen the bust end of the real estate cycle.

But in prior periods of overbuilding, the money spigots were shut off by higher interest rates. This time, even through the 18% rates of the early Eighties, the cash continued to flow. The cry went up: You can't lose in good real estate.

There were more sources of money than ever before: syndicators, pension funds, insurance companies, foreigners and the banks, acting as investors as well as lenders. Syndicators and Wall Street's product development boys packed properties into zero coupon real estate bonds, limited partnerships and real estate investment trusts. Too many of these products spawned their own version of new math—rates of return based on dubious appraisals, unreal inflation estimates and unlikely occupancy rate projections; fantasy figures, based on the commercial real estate markets of a very different past. Even rent rolls were vastly overestimated at a time when sharp rent concessions were becoming the rule. Today, even in supposedly strong markets like New York, Boston and Philadelphia, discounting has become routine.

Sam Zell, a Chicago-based real estate entrepreneur who made a fortune buying distressed properties cheap during the 1970s, deplores what he calls "the commoditization of real estate." It was the idea that real estate was a commodity, like any other, that could be packaged and sold almost as if it were something fungible—as if one square foot of property were pretty much the same as any other. That

Dale Thompson/After Image

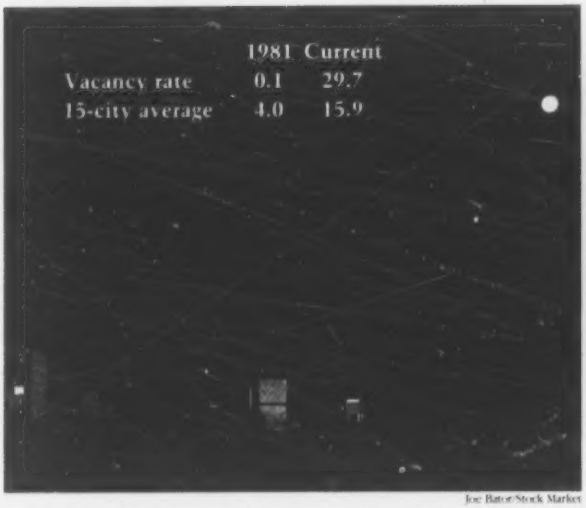


Chicago

David Barnes/Stock Market

Dallas

Denver



Joe Bator/Stock Market

was a little like saying that one stock was just as good as another, but such was the frenzy in real estate that few people bothered to question the idea.

Reliable old rules of thumb were discarded. Not so long ago it was routine to value an office building at seven times its rent roll. In the last five years, with acquisitive syndicators driving prices up, the number inflated to nine or ten times rent. Gone, too, was another old guideline: Rarely build downtown offices where the vacancy rates have edged above single digits. Big-city developers, recently, hardly blinked at 12% and broke ground all the same.

When the Reichmanns made their vaunted investment in supposedly overbuilt New York, the vacancy rate was an alarming 12%. These days 12% is a hot market, and there are very few of those. New York City, one of the few, is at 9.8% and rising.

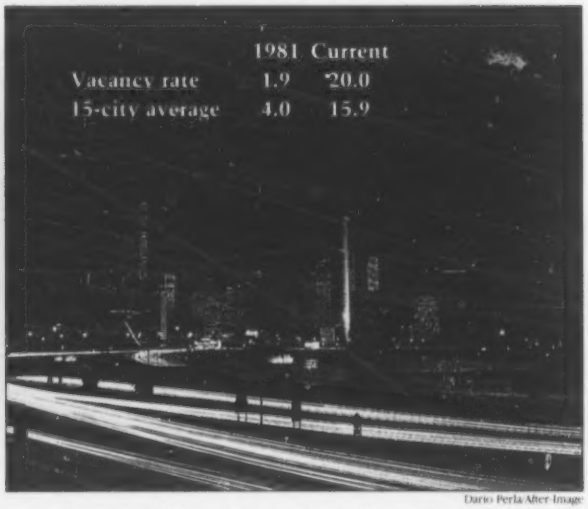
Since 1981 an average 300 million square feet of office space has gone up every year in the U.S., nearly double the annual rates of the 1970s. That's the equivalent of five Manhattans built in six frenzied years.

Few major city downtowns are not now plagued with mid-double-digit vacancy rates. And these numbers will only get worse in the next 18 months, because building continues in many cities. Only in the suburbs, with average vacancies already 24%, will the rates drop sharply, because construction is finally grinding to a halt.

Who will fill all this vacant space? A Massachusetts Institute of Technology study, looking at the next ten years, found that the white-collar labor force will likely be growing at only 1.7% a year. That compares with a 2.5% annual rate of growth from 1975 to 1985. That does not even take into account the effect of mergers and consolidations of large U.S. companies. Indeed, the nation's top 500 companies had 2.2 million fewer employees in 1985 than they did in 1980.

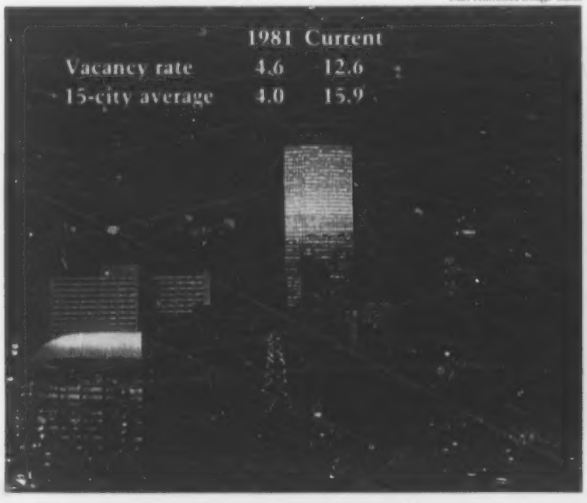
The outlook for hotels is just as grim as for office space.

Houston



Dario Perla/After Image

Dan Hummel/Image Bank



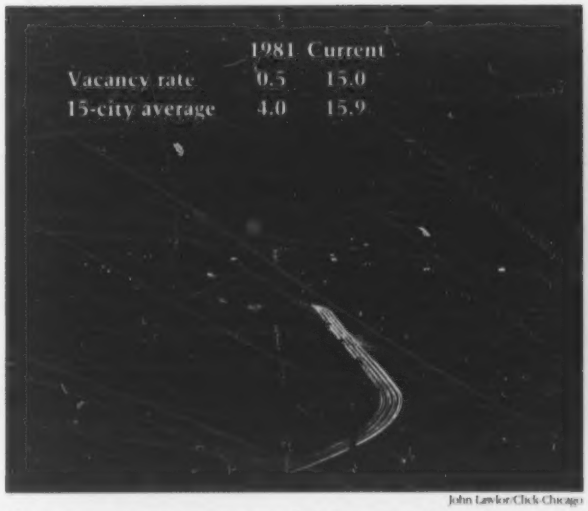
Minneapolis/St. Paul

Paul Chesley/Photographers Aspen

New York City

All vacancy rate data from Coldwell Banker for downtowns only.

Los Angeles



John Lawlor/Click Chicago

Occupancy rates are reported to be averaging a little over 64%, and heading down. Despite that, there was a net increase of 80,000 new hotel rooms last year. At the same time the break-even point for hotels continues to rise—to about 67% occupancy. There are 55,000 hotel rooms in smallish Orlando, Fla., to cite one example of particular excess. Only New York City and Los Angeles have more.

And let's not forget the short fuse burning in shopping centers, which over the last four years have accounted for nearly as many construction dollars as office buildings. The problems here will come in the smaller strip centers stretched along America's highways. Even in booming Florida, dozens are on the verge of bankruptcy.

So why haven't prices collapsed outside the oil-depressed states? Where are the screaming bargains in commercial real estate today? The answer is that relatively few properties have changed hands, so real prices have yet to be determined. Many banks, still hoping against hope, have yet to take their

David Hamilton/Image Bank

Philadelphia

Miami

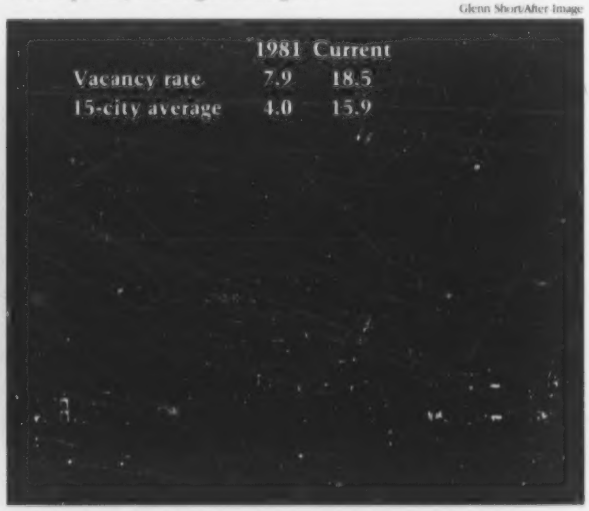
Dario Perla/After Image

full and heavy hits on their bad commercial real estate loans. An Oppenheimer & Co. study, for example, points out that there is a significant lag between the time high vacancy rates become apparent and when the banks are forced to write down their bad loans. Texas banks, for example, only last year began writing down the value of their construction and mortgage loans, even though extremely high vacancy rates had existed for two years.

The dramatic decline in interest rates over the past couple of years has also helped stall the decline in property values. Falling rates have allowed many developers cheaper refinancing, enabling them to hang in longer, try to rent their empty offices and get their cash flowing.

You will hear the optimists making the deep-pockets argument. Developers are bigger these days, they say. The big banks, insurance company and pension fund investors will all hang in until the glut is absorbed. These guys won't panic, the argument goes.

Glenn Short/After Image



Phoenix

That may be true if vacancy rates start dropping—or at least start to bottom out. Hardly likely in the cities, where scores of new projects will open their doors in the next 18 months. And the optimists are not yet considering the probability of rising interest rates or even the slightest recession in the next couple years. "Property values are likely to recover nicely in the next three years," says Kenneth Rosen, chief of real estate research at Salomon Brothers. "But our calculations do not foresee a recession."

Even absent a recession, some pension funds are starting to ask for their money back from insurance companies' real estate investment funds; that means some real estate pools may have to sell buildings. Banks will stop treating borrowers leniently. And after tax reform investors who signed nonrecourse notes may walk away from their partnerships.

Another problem with the deep-pockets argument: Many of the developers got so cocky they figured they could successfully branch away from the kinds of projects and the locations they knew well. As soon as one city got overbuilt, the availability of money enabled them to run off to another. Office developers built hotels. Apartment and hotel builders put up offices and shopping centers. William Criswell, in Dallas, who put up several successful Hyatt-Regency hotels in the Southwest, decided to build a $150 million office building, the I.M. Pei-designed Allied Financial Center, covered in greenish-blue glass, in downtown Dallas. The building is mainly vacant, and Criswell's real estate empire is in deep trouble.

San Francisco

George Hall/After-Image

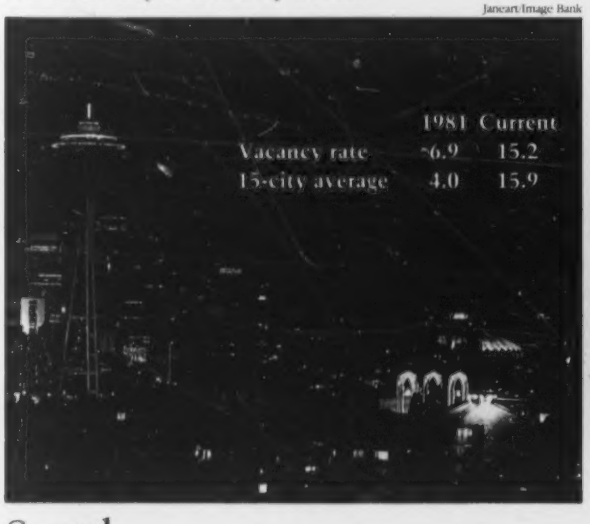
Trammell Crow, a crackerjack in office parks and apartments, scored big several years ago with his Anatole luxury hotel in Dallas. So he galloped out and set up the Wyndham group, building more luxury hotels in Florida, Texas and the Caribbean. But these did not do well—last month Crow sold control of four of his hotels to the Stouffer Hotel Co.

Until the early 1970s commercial real estate was not a get-rich-quick business. Owners held buildings for many years. Buildings were bought and sold based on solid, conservative cash-flow figures. Talk with Robert Greenberg of Minneapolis, whose family owns properties there and in other areas of the Midwest. The Greenbergs believe properties they own must produce real income, and as a result, in the last few years they were outbid on buildings by institutional investors and syndicators who made assumptions that a prudent business person ought not make.

But with tax reform, real estate will once again be for the long haul. Which is not to say that some real pros won't score big sooner. Take Sam Zell, for example, who calls himself "the grave dancer," for his knack for making money out of other people's mistakes. Zell recently bought a 960,000-square-foot Texas office building that cost Houston highflier Harold Farb $140 million. Zell's cost: $30 million, and he got the bank to refinance at a substantially lower interest rate.

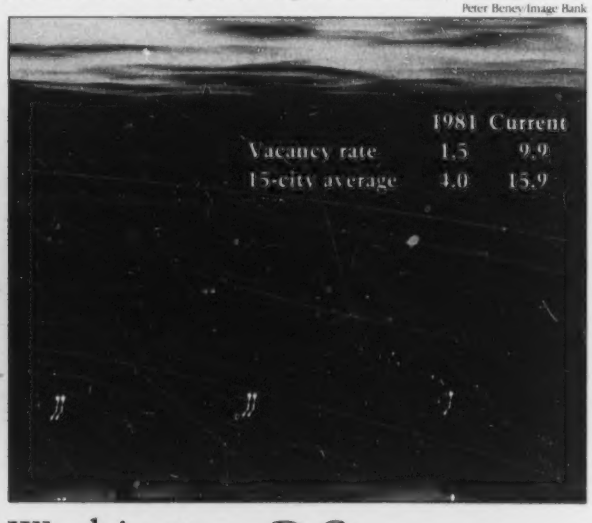
Zell expects to dance many a jig, before the slump is over, with similar deals. But the music is still too cheerful for his taste. Zell prefers dirges. Smart man, Sam Zell. ■

Janeart/Image Bank



Seattle

Peter Beney/Image Bank



Washington, D.C.

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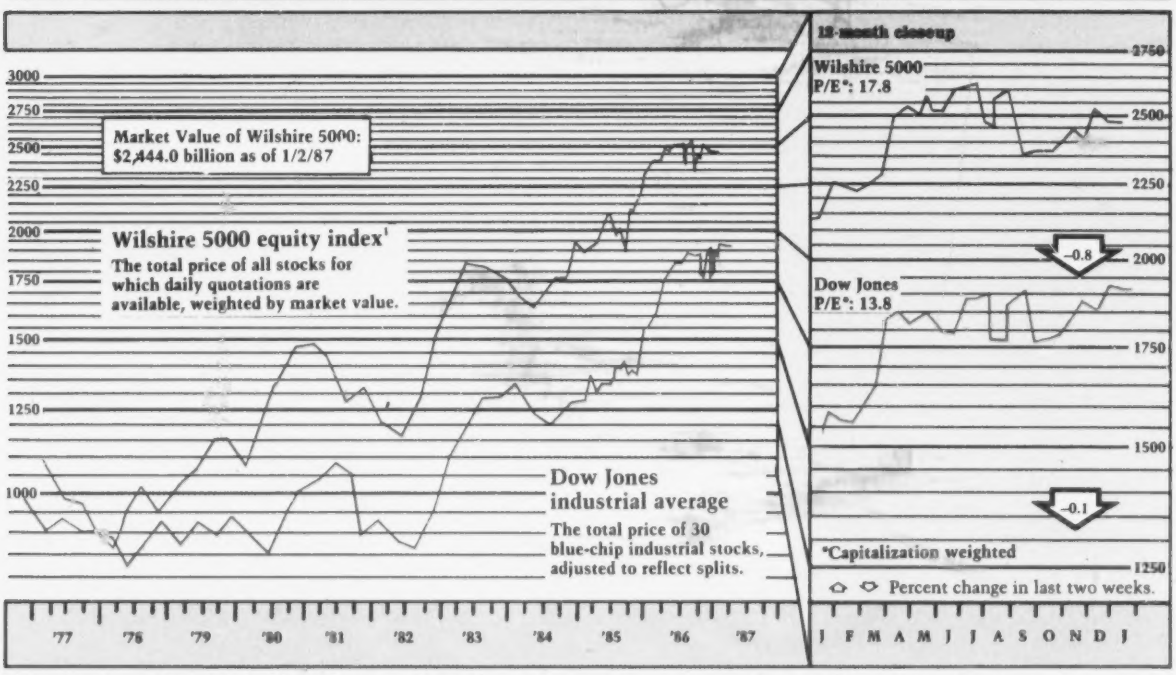
The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Ships in the night. While blue-chip stocks took a short southern excursion, secondary shares moved in the opposite direction. For the two-week period the Dow industrials slipped 0.1% and the NYSE was off 1.1%. But Amex and Nasdaq issues posted respective gains of 0.8% and 0.3%. The overall market, as measured by the Wilshire index, fell 0.8%.

Are secondary shares about to start the next leg of the bull market? For all of last year Big Board issues gained 14%, vs. 7.4% for Nasdaq and 7% for Amex. During the last four weeks there were faint signs that more speculative stocks were preparing for a comeback. Our investor yardsticks, for example, show that high-growth issues rose 0.2% while low-growth shares fell 1.8%. And shares priced under $4 eked out a 0.1% gain while those priced over $40 fell 2.4%. For the Nasdaq and Amex to really catch fire, small technology stocks must break out of their long slump.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–1.9	–2.1	0.1	–1.8	–0.1	–2.7
in last 52 weeks	14.4	11.8	24.4	16.1	8.0	8.5

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–2.7	0.2	–0.9	–0.9	–2.0	–1.1	–1.1	1.0	0.2	–1.8	–2.4	0.1
in last 52 weeks	18.3	31.8	37.9	22.1	9.5	19.0	14.8	26.9	31.7	24.0	23.0	14.6

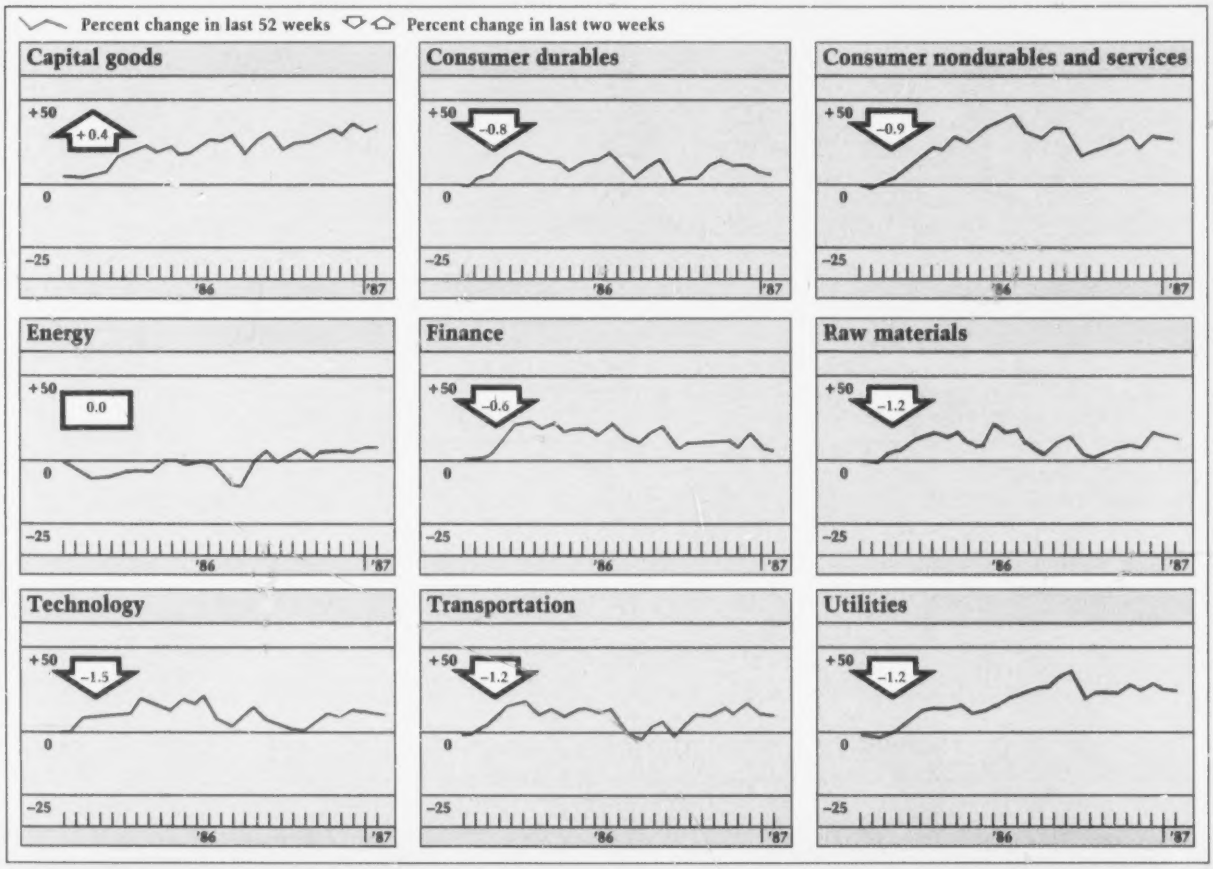
[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 1/2/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Time for technology? Bargain hunters should perhaps look at technology stocks, which fell 2.4% during the last 52 weeks, when the Wilshire index posted a gain of 14.4%. Although institutional favorite IBM fell 33½ points and reduced the market capitalization of the technology sector by more than $20 billion, there are plenty of technology stocks currently trading at below-market multiples. Examples: AST Research, 7; General Dynamics, 8.2; Altos Computer Systems, 9.

Also depressed are the energy, transportation and finance sectors, with below-market gains of between 7.5% and 9.2% last year. Consumer durables underperformed the market by a small margin. Three sectors—consumer nondurables, capital goods and utilities—beat the market.



What The Analysts Think

Pleasant dreams. Our first look at 1988 earnings forecasts shows that security analysts were quite generous in their long-term projections. The experts have the Forbes Sales 500 selling at less than ten times estimated earnings. But this multiple is likely to rise as more analysts contribute 1988 estimates and others scale back earlier forecasts.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.64	16.2
1987 estimates	3.74	11.5
1988 estimates	4.35	9.9

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Consumer nondurables	$2.46	14.0	0.07%	0.10%
2	Transportation	2.64	11.0	-0.21	-1.02
3	Utilities	3.38	10.0	-0.30	-0.35
4	Finance	3.82	8.5	-0.36	-0.75
5	Raw materials	2.37	13.0	-0.38	-0.93
6	Capital goods	2.74	14.1	-0.40	-2.00
7	Consumer durables	3.55	11.9	-0.50	-2.20
8	Technology	2.90	12.4	-0.73	-1.41
9	Energy	2.37	14.2	-1.00	-1.62

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 1/2/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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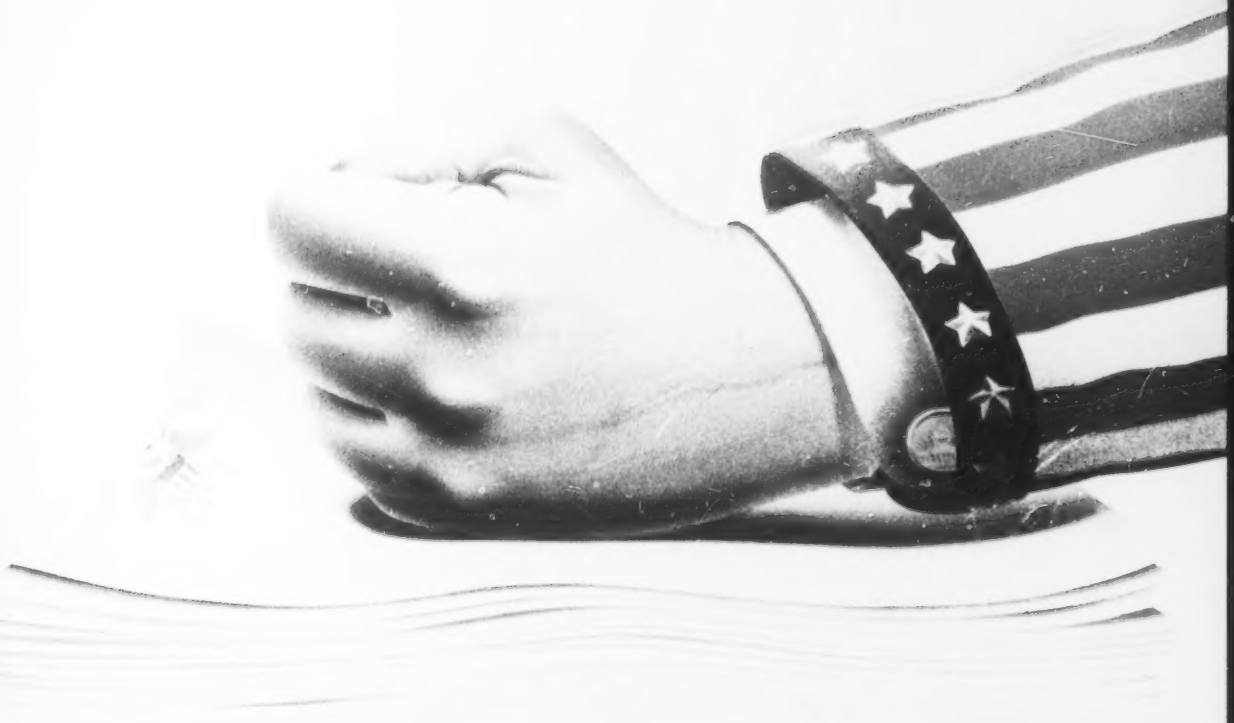
Forbes

U.S. TO ITS TRADING PARTNERS:

"NO MORE MR. NICE GUY"



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Forbes

FEBRUARY 9, 1987
VOLUME 139
NUMBER 3

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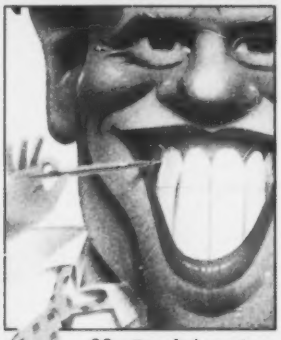

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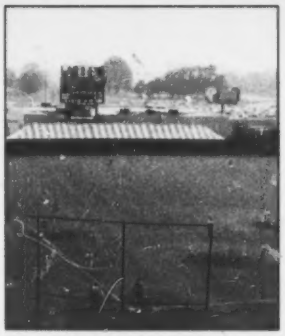

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February 9, 1987 Volume 139 Number 3 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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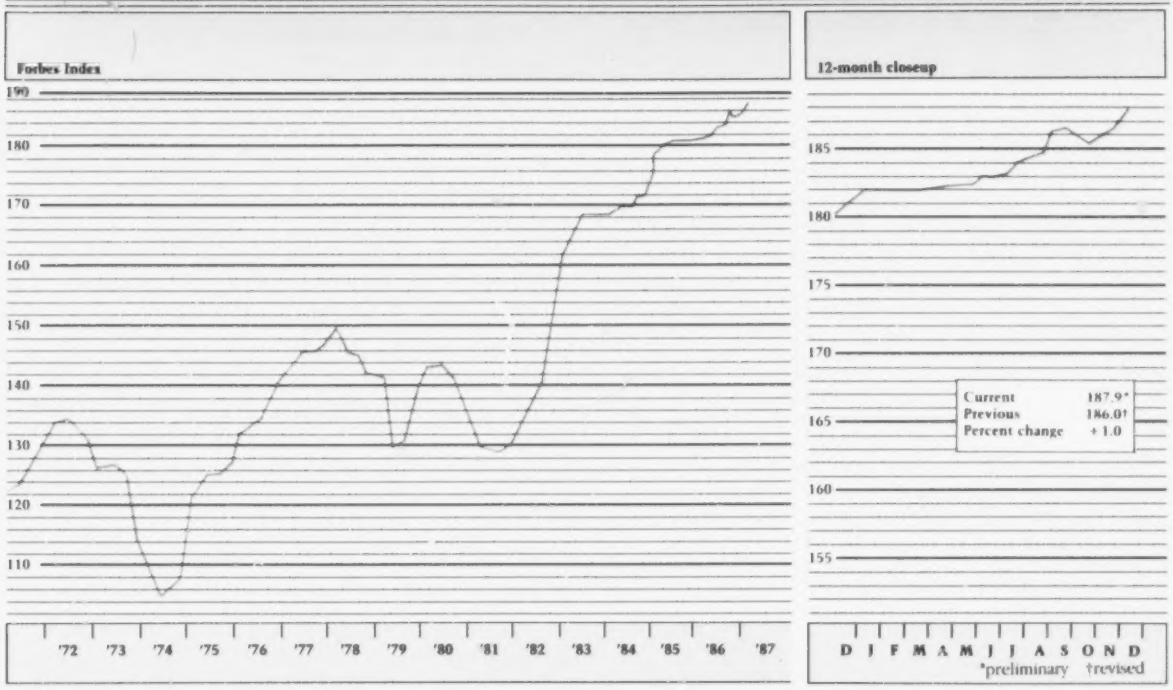
The Forbes Index



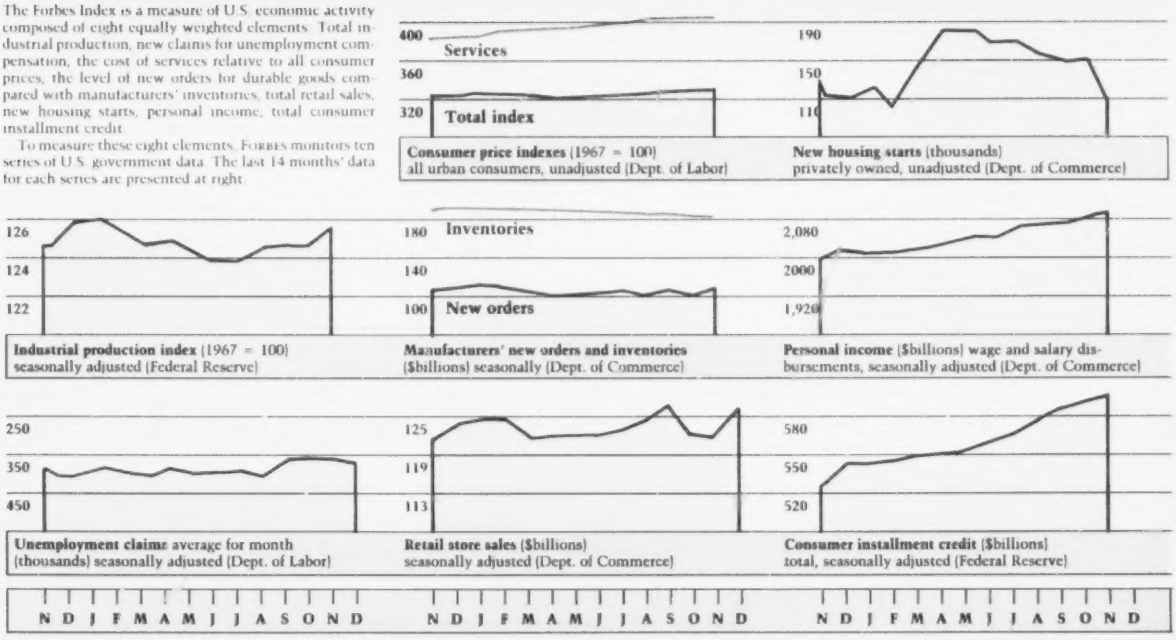
Tax spending. The Forbes Index posted a 1% gain during the latest reporting period and currently stands 5.3% higher than one year ago. Boosting the Index were retail sales, which shot up 4.4% in December as consumers continued their assault on big-ticket items. Also pushing up the Index was consumer installment credit, which increased 0.7% in November, to $596 billion, or roughly 20% of one year's disposable personal income.

Consumer spending notwithstanding, the economy remains sluggish. New unemployment claims, for example, increased 2.3% from November to December, the sharpest month-to-month jump since last February. Despite a weakening dollar, the Federal Reserve may cut interest rates again in order to stimulate the economy.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



From the murky depths of subsidiaries it rises. Terrifying and huge, it stalks the corporate balance sheets.

Invisible debt

By Laura Jereski

PICTURE THIS: It's early 1988, and you've just received your General Motors 1987 annual report. You sit down with a cup of coffee while you skim the statement. This shouldn't take long—but wait a minute. What's this? It seems that in the space of a single year GM's short-term debt has gone from next to nothing to nearly $53 billion. What's happened? Has GM secretly acquired Belgium? Nope. It's just more magic from the accounting profession.

If the Financial Accounting Standards Board has its way, investors in hundreds of companies like General Motors will suddenly discover that the companies are deeper in debt than they previously thought. The list of firms affected includes Deere & Co., Textron, Gulf & Western, Xerox, IBM and many, many more.

The change will come in the way companies consolidate their subsidiaries. In years past, companies with subsidiaries in finance, real estate, insurance and leasing have not been forced to combine the financial subsidiaries' liabilities with their own. Yet at the same time, they have added the net income and equity of the subs to their own. The parent company gets a boost from the subsidiary without having to reflect its debt—in short, a free ride.

But now, if the Board's ruling passes, the ride will come to a skidding halt, as all that debt, buried in the balance sheets of subsidiaries, gets unearthed on the balance sheets of the parent corporations *(see table)*.

The old, nonconsolidation rule was based on the idea that finance, real estate and insurance subsidiaries use capital so differently from their parents that a combined balance sheet would be meaningless. But the logic behind the change is that a corporation is an economic entity and shouldn't have arbitrary distinctions between its components. "If you consolidate one subsidiary, you ought to consolidate all," says Paul Rosenfield, director of accounting standards at the American Institute of CPAs.

Unconsolidated balance sheets can conceal plenty when most of a sub's business comes from a parent. The three auto manufacturers alone have over $125 billion of liabilities in their finance subs that don't show up on their balance sheets.

Take General Motors. By last fall the company had unloaded 5 million cars and trucks from its bloated inventory by offering buyers incentives, including 2.9% financing. The resulting $78 billion in short- and long-term debt it had to take on to offer such giveaway finance rates got squirreled away on the unconsolidated balance sheet of General Motors Finance Corp., the company's captive finance subsidiary. That left GM itself with a seemingly gilt-edged third-quarter debt-to-equity ratio of 0.2-to-1, instead of a much more leveraged—and accurate—ratio of $2.80 of debt to each dollar of equity.

Do consolidated numbers really present a fairer picture of the complete company? Says John Vivian, comptroller at Sears, "It would be very difficult to perform any analyses on our consolidated statements if one were not able to see the pieces."

Take a firm like ITT. More than half its assets presently aren't shown on its balance sheet, because they belong to ITT's insurance company, Hartford Fire Insurance. But say that the two statements were consolidated. Would ITT bondholders or shareholders be right to conclude that their company suddenly acquired a huge new source of assets they could reach for in the event of a liquidation? No way. In reality, first claim goes to Hartford Fire policyholders.

It seems as if there's no winning. If you don't consolidate, firms can shuffle away their problems into subsidiaries. If you do consolidate, the problems can often disappear into huge, unrevealing numbers.

One sensible solution comes from Arthur Andersen partner Benjamin Neuhausen, who argues that the accounting profession should consider a "tiered" balance sheet. "If major categories, such as debt or fixed assets, were dissected by major lines of business, the balance sheet would show exactly what corporate assets and liabilities really do exist at the subsidiary level—and how much they contribute to the parent company itself." ■

Surprise!

These companies, like many others, let unconsolidated subsidiaries hide much of the debt. Not for much longer.

Company	—Total debt-to-equity ratio*— old method	new method	% increase
Textron	1.3:1	3.3:1	154%
General Motors	0.2:1	2.8:1	1,300
Ford Motor	0.2:1	2.2:1	1,000
Chrysler	0.5:1	3.8:1	660
Deere	0.8:1	1.9:1	138
Gulf & Western	0.8:1	3.1:1	288
American Can†	0.7:1	1.1:1	58
ITT†	0.6:1	1.5:1	150

*Total debt = long- and short-term debt. †Predivestiture.

Ferguson: Since 1975 Japan's share of world semiconductor capital equipment markets rose from 15% to about 40% now. Their production technology is better than ours. The most striking differences are in maskmaking, direct steppers, high-performance automatic testing equipment and in automatic or robotized assembly equipment. Often this advanced equipment is supplied to Japanese semiconductor companies by other units within their own *keiretsu*, or business group. Increasingly, human beings are being eliminated from manufacturing as finer lithography and increasing complexity demand more sophisticated automation and clean-room technology.

In 1985 Japanese firms suddenly entered maskmaking, taking a big share of the $250 million world market from about 15 underfunded U.S. startups. Mask quality has a major effect on production yields, which is critical to costs. As lithography improved, E-beam etching equipment and precision laser-based defect removal systems became a must, raising the minimum efficient investment scale from $2 million five years ago to nearly $20 million today. Maskmaking also needs high-quality glass. The main supplier in the 1970s was Corning Glass, but now it's Hoya, a Japanese firm that also competes in maskmaking, and Shin-Etsu. Two other big Japanese companies have entered the fray, meaning that several U.S. maskmakers probably will go broke.

What does this mean? It means that, more and more, the next generation of downstream technologies in chips, and then the next generation after that in semiconductor-intensive goods, such as computers, will be Japanese inventions. The U.S. will play a smaller role in the invention and use of those technologies. Destroying the U.S. chip industry makes our downstream sectors depend on Japanese technology. Japanese firms then can either withhold technology, extract monopoly profits or force U.S. companies into subordinate relationships—like Amdahl and Fairchild to Fujitsu, Honeywell to NEC.

Can't we extract technology from them as they extract from us?

Ferguson: The Japanese don't share technology as readily as we do. They're still heavily dependent upon our semiconductor market, but their dependence is declining daily. Their per capita consumption of semiconductors is approximately twice as high as it is in the U.S.

There are still chances to get technology from Japan. But they all are dependent upon an exercise of national will, and a degree of cohesion and strategic sophistication, that the U.S. industry and the U.S. government haven't exhibited to date. The new semiconductor trade agreement shows this kind of strategic naiveté on the part of the U.S. government, and short-term, self-destructive thinking by the U.S. industry. The U.S. industry lobbied for almost exactly the deal they got, limiting Japanese penetration of the U.S. market through exports and putting a price floor on memory chips. The high price gives a windfall to low-cost Japanese and Korean chipmakers and helps big Japanese computer makers, making their chips in-house, while penalizing U.S. firms that buy chips on the open market. The deal didn't ban Japanese direct foreign investment. What the U.S. got was a situation in which the only way that the Japanese could continue to progress was by buying the U.S. semiconductor industry. So Fujitsu just bought 80% of Fairchild. Then Motorola signed a joint venture enabling Toshiba to make 32-bit microprocessors in Japan. Motorola has 57% of the world market for these products, but is under financial pressure and must acquire Japanese-quality process technology. Within the next 18 months, much of U.S. semiconductor production will be directly or indirectly under Japanese control.

Five years from now Japanese companies will market very competitive computers based on high-performance semiconductor technologies, which then will not be available to the U.S. industry.

How are the Japanese winning computer market share?

Ferguson: They begin with a local company selling Japanese products. In the U.S., Amdahl sells Fujitsu computers and uses Fujitsu components in Amdahl computers. National Advance Systems sells Hitachi computers and Honeywell sells NEC computers. In Germany, Siemens and BASF sell Fujitsu and Hitachi machines respectively. In Britain, ICL sells Fujitsu, and so on. In 1985 Fujitsu's sales outside Japan rose by 57%.

While relying on local sales and service, the Japanese firms learn enough about these various foreign markets to sell and support their products on their own. Within five years, they will be selling their products in the U.S., Europe and other markets on a much larger scale, harvesting more of the value added in sales and support. Their share of the U.S. mainframe market, which is half the world market, rose from 5% in 1980 to 10% in 1986, as their U.S. sales rose from $700 million to $1.5 billion. But Japan's penetration of Europe's computer market will be slower than in the U.S., because of European political decisions to block Japanese control. ■

If Congress slaps duties on imports, who gets hurt? Among others, IBM, GE and GM.

We've met the enemy, and they are us?

By Edwin A. Finn Jr. and Kathleen Healy

CONGRESS AND THE Reagan Administration are starting to act tough about restricting imports. They have little choice, but nobody should think the restrictions will be painless. Among those feeling the worst pain will be our own multinationals. Some 15% of our imports come not from Korean, German or Japanese companies but from foreign affiliates of U.S. companies. Last year those imports approached $80 billion, about equal to what this

country imported from the Japanese.

Burdened for decades with some of the world's highest wage rates—and in the early 1980s with an overly strong dollar, as well—many U.S. companies moved manufacturing operations abroad. How else could they battle generous Japanese tax breaks, low Korean wages and Brazilian subsidies? Now protectionism threatens to hobble those very companies, and the danger to America's multinationals would be compounded if foreign countries retaliated with trade restrictions of their own.

Take Caterpillar Co. of Peoria, Ill., which makes backhoe loaders for the U.S. only in Britain and certain tractor models for the U.S. market only in Japan. In all, Cat brings about $500 million of goods into the U.S. from its foreign subsidiaries. That makes sense in a world that has—at least up until now—leaned toward free trade.

Another case is Texas Instruments, which every year ships just over $200 million of U.S.-made semiconductor parts to the Far East for assembly, then reimports them into the U.S. Or take USX Corp., which set up a joint venture that plans to import Korean ingot into this country to roll into finished steel. The list goes on.

"The harsh realities are that you have a highly interdependent world economy, and you can't erect barriers and expect not to produce negative ripple effects," says a senior executive with a major consumer electronics concern.

For example: In January, under pressure from the U.S., Canada put in place a 15% export tax on lumber headed for the U.S. The goal was to help U.S. lumber companies be more competitive, but a major casualty was Tacoma-based Weyerhaeuser Co. Every year that firm imports about $90 million in lumber from its Canadian subsidiary; this year that wood will cost Weyerhaeuser 15% more. So a U.S. corporation gets hurt, and U.S. consumers will have to pay higher prices—a bit more kindling on the embers of U.S. inflation.

More than any other, it's the U.S. auto industry that imports from foreign affiliates: $22 billion in 1984, as the most recent official figures show. Last year industry estimates indicate that General Motors imported $7.2 billion, or 8% of U.S. sales; Ford Motor, $6.3 billion, 13% of U.S. sales; and Chrysler, $4.5 billion, or 25% *(see chart)*.

The bulk of auto imports—$18 billion in 1984—came from Canada. (Under an auto pact with the U.S., Canada imports a like value of U.S.-made autos and auto parts.) But imports from elsewhere are growing even faster. GM last year imported 160,000 Sprints and Spectrums from its joint ventures in Japan with Isuzu and Suzuki. Market value: more than $1 billion. Next year GM begins a similar joint venture with Daewoo in Korea. Ford, meanwhile, imports Mercury Mercurs from Germany and plans within six months to import Tracers from Mexico and Festivas from Korea. Since 1983 Chrysler has doubled its imports from Mexico, where it builds LeBaron, Aries and Reliant models, among others.

After automakers, the U.S. manufacturers that import the most from foreign subsidiaries are electronics companies, at $7.5 billion a year. General Electric imports such items as cassette recorders and telephones, mainly from Asia, with a total value of about $500 million. IBM imports an estimated $1.5 billion a year in data processing equipment and other gear into the U.S., roughly 5% of its domestic sales. Apple Computer's Asian plants, by contrast, make all the company's Apple II computers. The Apple II line accounted for about $750 million, or an estimated 54% of Apple's U.S. sales last year.

Protectionism would disrupt such efficient arrangements. Says Chrysler economist Donald Hilty, "If tariffs are enacted, we would have to get out of foreign supply contracts as they expire, or we might even pay a penalty to get out of them sooner. . . . In the long run that would bring business back to the U.S." Meanwhile, the Japanese are taking no chances. They already have more than $30 billion of plant, property and equipment in the U.S. And the Koreans—as we've learned to expect—are following close behind.

The truth is that American manufacturers are in a bind. If they don't build plants overseas, high U.S. costs will force them to sacrifice market share to foreigners. If they continue to move operations abroad, they may well get caught in the protectionist snares. Ah, for the good old days when there were simple answers to tough questions. ■

Gary Hallgren

OUCH!

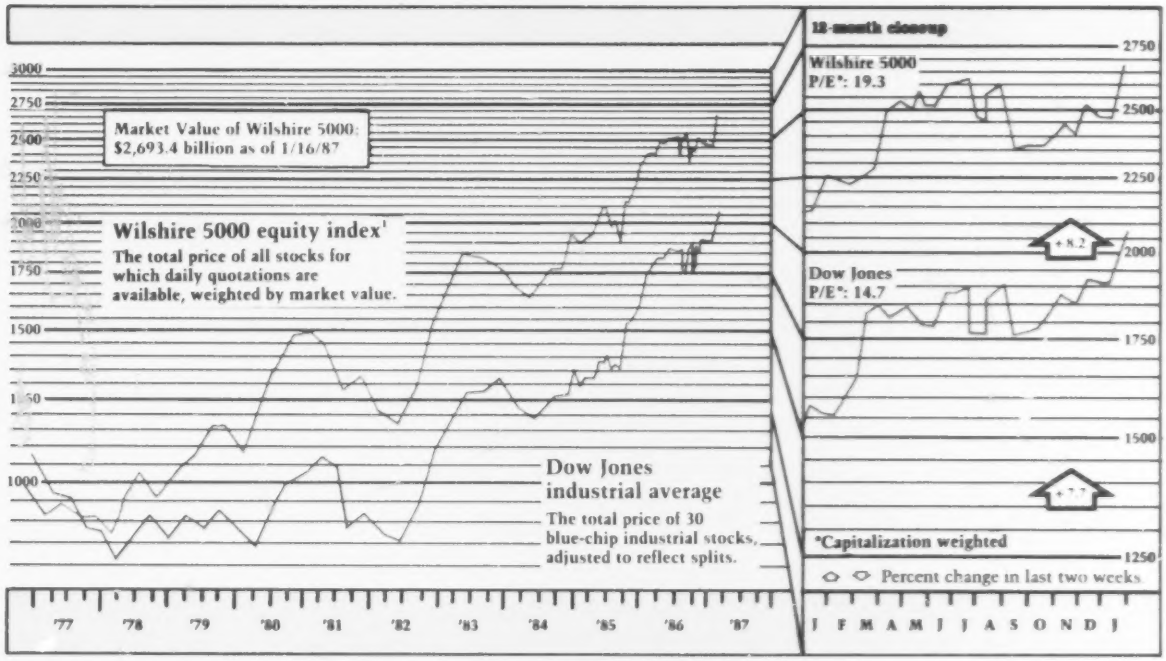
Tariffs miss the target. Many U.S. multinationals are net exporters, but remember, they import nearly $80 billion from their foreign plants and affiliates.

Company	Items imported	Value* ($millions)
General Motors	cars, trucks, parts	$7,200
Ford Motor	cars, trucks, parts	6,300
Chrysler	cars, trucks, parts	4,500
IBM	data processing gear	1,500
Apple Computer	Apple II computers	750
Caterpillar	backhoes, tractors, etc.	500
General Electric	tape recorders, telephones, clock radios	500
Texas Instruments	semiconductors	450
Kellwood	apparel	118
Weyerhaeuser	lumber	90

*Per year, based on Forbes and industry estimates.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Throwing the bull around. In the two-week period reported on below, the P/E (against trailing earnings) of the Wilshire index shot up from 17.8 to 19.3. That's the highest multiple on the Wilshire since FORBES began measuring it over four years ago. In August of 1982 the market was trading at only 7.1 times latest 12-month earnings. Will the rally continue? Unless earnings rose sharply, a rising Wilshire index would soon be trading at more than 20 times earnings. During the last day of the two-week period the rally lost some of the momentum Wall Street built up as the Dow industrials ran right through the 2000 barrier. The Dow posted its 11th consecutive advance, but the Amex and Nasdaq scored minor declines.

Summing up the spectacular two weeks ended Jan. 16: The Dow advanced 7.7% and the average big board issue 7.9%. The Dow was up over 180 points since year-end 1986. The Amex finished the two-week stretch up 8.7%, and Nasdaq issues were up 10.4%.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	7.4	6.4	7.7	6.7	9.5	10.7
in last 52 weeks	24.5	21.7	35.1	26.5	17.4	17.9

Stock performance based on six key investor yardsticks

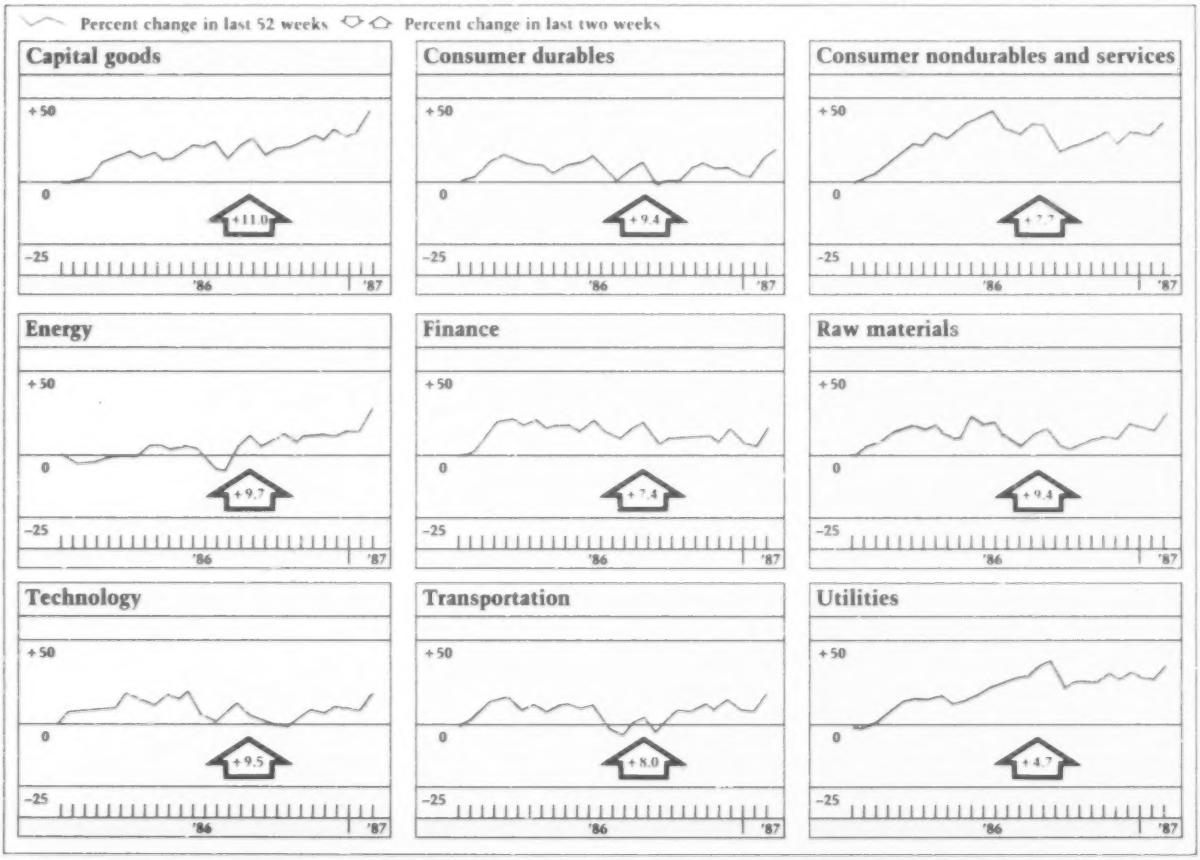
Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	7.3	13.6	19.5	5.8	11.9	7.9	6.0	16.2	21.0	5.3	6.9	14.7
in last 52 weeks	28.2	39.4	53.5	28.4	19.2	25.5	21.6	35.7	46.5	30.4	32.4	20.7

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 1/16/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Stars and aspiring stars. The Wilshire index is up more than 133% since the bull market began in August of 1982. The best stocks in this market have been consumer nondurables, which gained some 173%. Other big winners include consumer durables and finance shares, which show increases in excess of 160%. The three weakest groups were: energy, up 87%; technology, up 100%; and utilities, up 91%. Few utility investors are unhappy, since they purchased utility stocks primarily for their yields; compared on total return, utilities would be near the middle of the pack. Until now those who invested in energy and technology stocks have been disappointed. If there is additional life in this bull market, these two lagging groups may deserve a piece of the action.



What The Analysts Think

Problems with transportation. Security analysts made slight downward revisions across eight sectors, but they significantly pared back their 1987 forecasts for transportation shares. Estimates were cut for trucking firms, airlines, railroads and ocean shippers. Arkansas Best, a trucker, had its estimate cut the most, nearly 12%.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.63	17.8
1987 estimates	3.71	12.6
1988 estimates	NA	NA

NA: Not available.

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Finance	$3.83	9.0	–0.09%	–0.45%
2	Utilities	3.38	10.6	–0.09	–0.40
3	Raw materials	2.37	14.8	–0.19	–0.69
4	Capital goods	2.73	15.7	–0.33	–0.62
5	Consumer nondurables	2.43	15.4	–0.42	–0.35
6	Energy	2.36	16.0	–0.50	–1.49
7	Technology	2.88	13.8	–0.70	–1.44
8	Consumer durables	3.63	12.5	–0.85	–1.47
9	Transportation	2.54	12.7	–5.89	–6.08

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 1/16/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Confused by the seemingly endless proliferation of mutual funds and fund gimmicks? Don't be. Forget the frills and furbelows and stick to the basics.

Keep it simple

By William Baldwin

YOU MAY HAVE SEEN the full-page ads for the "revolutionary" Dreyfus Strategic funds. The bond fund will generate "high yields from sophisticated trading techniques." The stock fund will have "unusual flexibility to seek maximum returns in almost any kind of market." Sounds good. "Sophisticated." "Flexible." But forget the adjectives. What's "revolutionary" is the heavy turnover of puts, calls, futures, futures options and other exotics.

The Zweig Fund, a closed-end that came out last year, aims to make money in bear and bull markets by using hedging strategies. Terrific. Don't we all. But saying it is easier than doing it, and if Martin Zweig really has the secret, he will soon own the stock market. Oppenheimer Capital's Quest for Value Fund a month ago added "dynamic hedging" against market declines. More funds will no doubt follow, since the new tax law has loosened rules on short-term hedging gains.

Then there are the sector funds, concentrated in specific corners of the market. The idea itself is as old as mutual funds, but it has never worked well and probably won't now.

Is good investing really so complicated? We'll hazard a no in offering a simple philosophy of investing: The simplest is often the best. Put your money with managers of proven merit and let them invest using time-tested, old-fashioned methods. And, no matter how exotic the strategy, don't expect that you can get rewards without risks.

In this respect, Charles Ellis, partner in Greenwich Associates, the prominent pension consultant, is a man after our own heart. Ellis advises investors: "The biggest risk is getting intrigued by what's different rather than by what's important."

It's hard for the investor not to be intrigued by what promises to be different, what with 1,338 stock and bond funds currently clamoring for attention. Intrigued and somewhat dazed. Wasn't the whole idea of the fund industry to spare investors the worry of picking securities? The day is approaching when there will be as many funds to choose among as there are stocks on the New York Stock Exchange.

We can't cure the proliferation, but we do try to make the choosing a little easier. The table that begins on page 130 lists 334 stock and balanced funds that have been around long enough (about six years) for us to assign ratings. Following on page 138 are 129 bond funds, each with at least $100 million in assets. These are shown with a new measure of risk that puts the raw performance numbers in a better light.

Well, what about these hotshot new funds with all the gadgets and gimmicks that promise to beat both bull and bear markets? The three-month-old Dreyfus Strategic funds—Strategic Investing for stocks and Strategic Income for bonds—are much too young to be rated. So far they have but $44 million in assets between them. But they are worth a closer look, since they get to the heart of the matter of risk and reward. The enticement of these funds is that they are supposed to keep up with bull markets yet have the tools to hedge when the market is headed down.

Unlike many investors, FORBES has a long memory. Four years ago Prudential-Bache opened its Option Growth Fund, with the declared strategy of buying stocks and stock futures in bull markets and buying puts when the market is going down. Its performance has been rotten, more than 6 points a year behind the market.

What about bonds? Dreyfus Strategic Income says it will try to "en-

How to make 7% look like 14%

The Dreyfus Strategic Income Fund says it's getting 14% from bonds issued by Sallie Mae, the student loan finance agency. That's an extraordinarily high coupon from such a creditworthy borrower. There's a catch, though. The bonds are denominated in Australian dollars. If the Australian dollar falls as fast as currency traders expect, when the bonds mature Strategic Income will suffer an erosion of principal that will eat up half the coupon.

The exact arithmetic is messier, but in round numbers it works like this. Sallie Mae distributes a 14% coupon and gets back 7% from an anticipated drop in the Australian currency. Sallie Mae doesn't do loan business down under, and in fact is ultimately borrowing in U.S. dollars and repaying in U.S. dollars. It locks in its 7% net cost with currency hedges. Why all the beating about the bush? Because, demand for high-coupon bonds being what it is, Sallie Mae is able to save a tad on its borrowing costs this way.

But what's good for the astutely run Sallie Mae is bad for U.S. investors on the other side of the table. A bondholder could hedge his currency risk by shorting Australian dollars. But then he winds up with a plain old 7% bond—a tad worse than he could have gotten from a conventional Sallie Mae bond.

The other possibility, of course, is that the bondholder doesn't hedge the currency. That, says Albert Lord, Sallie Mae's chief financial officer, is equivalent to buying a 7% U.S. dollar bond and simultaneously making a side speculation on Aussie dollars.

If the investor is a fund, however, there is a certain perverse logic to the investment, with or without a currency hedge. A fund doing this trade would calculate a "yield" of 14%, while burying the expected 7% loss as a capital loss, a drop in net assets per share.

The Dreyfus fund is doing just fine, for now. Manager Barbara Kenworthy has not yet hedged away her currency exposure, and since she bought the bonds the Australian dollar has been much firmer than expected. As a result, the fund has been making not only the 7% true yield on the bond but also some side profits on its invisible currency position.—**W.B.**

hance income" yet "limit risk." Consider this dilemma: Short-term Treasury bills pay about 5%, long-term Treasury bonds 7% to 8%. Should interest rates shoot up, however, funds that buy the bonds will suffer murderous capital losses. So why not buy the bonds for the nicer yield and cover your risk by selling bonds short in the futures market?

Because that won't get you anywhere, explains MIT Professor Robert Merton. You'll get a price on the future just crummy enough to wipe out the yield advantage. "If the futures on T bonds are properly priced, and you go long T bonds and short T bond futures, you're just going to end up earning the short-term rate," he says.

A sample of recent trades at the Dreyfus Strategic funds gives some hints of what they can and can't accomplish. Merton doesn't rule out the possibility that bond futures will be slightly mispriced sometimes, enabling a trader to pick up an extra return. But there are no free lunches, only an occasional hors d'oeuvre.

Stanley Druckenmiller, the 33-year-old manager of Strategic Investing, is telling how he can beat the market. The other day, he says, he sold short some puts on the S&P's 100. That's a way of "simulating" a long position, he says—of being bullish on stocks.

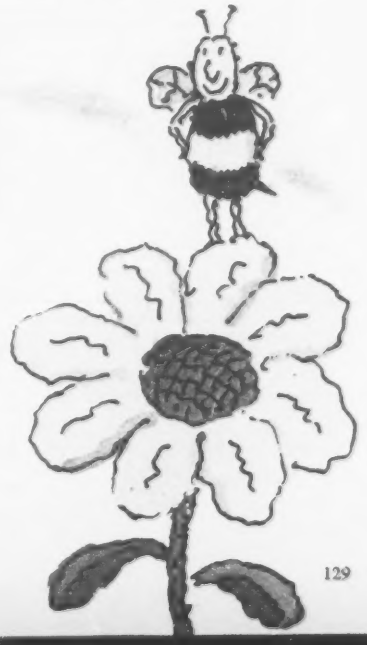
"It is mathematically true," he says, "that if we hold these put [positions] until they expire, what they are simulating will have outperformed the S&P's 100." Suppose, he says, the put exercise price is 240 when the underlying stocks are trading at 236. The value of the put, if exercised immediately, is $4. But he'll get a little extra, more like $5.50, when he sells the put. The $1.50 is gravy. So he'll beat the fellow who bought the stocks the old-fashioned way, he says.

Really? Is the rest of Wall Street that dumb? Not quite. True, over a wide range of possible outcomes Druckenmiller comes out ahead. But not all. What if stocks shoot up from 236 to 250 before the puts expire (which is just what happens after our interview)? Then, Druckenmiller concedes, he could come out behind. He has his $5.50, but he's missed a much larger gain. Moral: There are no free lunches. Nor are there any certified geniuses who have shown an ability to call bull and bear markets year after year.

Barbara Kenworthy, the 41-year-old manager of Strategic Income, the bond fund, aims to get a 10% yield before expenses on fairly safe bonds—not easy when safe bonds are paying much less. How is she doing that? On New Year's Eve a spike in overnight money rates enabled her to get 20% interest on a fourth of her assets for two days. Nice move, but it will add only about 0.02% to her annual performance. No, the big-ticket item on her way to 10% is some 14% Australian-dollar bonds *(see box)*. Why do those bonds carry so high a yield? Because of the currency risk in the Australian dollar. Strip away the complexity, and Kenworthy is simply speculating on currency futures. Is this what a bond fund investor wants?

Yes, "sophisticated" trading strategies can deliver profits from occasional pricing disparities. But these Dreyfus funds levy a 3% upfront load, plus a 0.25% annual marketing fee. Kenworthy and Druckenmiller are going to have to work hard to keep the investor even. They may end up making more money for brokers and their sponsors than for their investors.

Considering how difficult it is for most professionals to match the market, let alone beat it, our advice is stodgy but sound: Keep it simple. Trust proven managements, not trumpeted gimmicks. Distrust promises of miracles—in particular, anything that purports to enhance performance and reduce risk at the same time. On the following pages, FORBES updates its annual mutual fund rankings to help readers pick the best consistent performers. ■



Fund Ratings

Stock and balanced funds

On these pages are 334 mutual funds with at least $10 million in assets rated by FORBES on the basis of their performance to Dec. 31, 1986. Stock funds and balanced funds, although listed together, were evaluated and ranked separately in the grading process. To be rated, a fund must go back at least two full market cycles—that is, to Nov. 30, 1980. Funds that have been around for the full evaluation period, which starts Sept. 30, 1976, are graded over three market cycles. Raw data are from CDA Investment Technologies in Bethesda, Md.

Fund	Performance in UP —markets—	DOWN	12-month total return
ABT Growth & Income Trust	C	D	16.8%
ABT Utility Income Fund	D	B	18.3
Acorn Fund	B	A	16.7
Adams Express	D	B	16.0
Affiliated Fund	C	B	22.9
Afuture Fund	B	C	–5.9
Alpha Fund	C	B	13.1
AMA Growth Fund	D	B	11.0
Amcap Fund	B	A	15.6
American Balanced Fund	C	B	16.8
American Capital Comstock Fund	C	A+	13.5
American Capital Convertible Secs	A	B	15.1
American Capital Enterprise Fund	A	D	10.2
American Capital Harbor Fund	A+	D	13.4
American Capital Pace Fund	B	A+	10.8
American Capital Venture Fund	B	A	4.4
American Growth Fund	D	A	6.3
American Investors Fund	B	D	–1.7
American Leaders Fund	D	B	14.6
American Mutual Fund	D	A	18.4
American National Growth Fund	B	B	10.9
American National Income Fund	D	A	8.0
AMEV Capital Fund	A	C	21.5
AMEV Growth Fund	A+	C	19.5
Analytic Optioned Equity Fund	D	A	10.5
Armstrong Associates	B	D	11.3
ASA Limited	A	C	89.5
Axe-Houghton Fund B	B	D	23.1
Axe-Houghton Stock Fund	B	F	10.9
David L. Babson Growth Fund	D	D	18.8
Bailard, Biehl & Kaiser Intl	C	C	61.7
Baker, Fentress & Co	B	B	9.6
Bancroft Convertible Fund	A	D	12.4
Boston Co Capital Appreciation	C	C	22.5
Bull & Bear Capital Growth Fund	B	D	3.6
Bullock Balanced Shares	C	C	19.0
Bullock Dividend Shares	D	C	21.3
Bullock Growth Shares	C	C	15.7

Fund	Performance in UP —markets—	DOWN	12-month total return
Canadian Fund	D	D	2.7%
Cardinal Fund	C	B	19.3
Castle Convertible Fund	C	A	6.1
Central Securities	B	D	8.8
Century Shares Trust	D	A	9.4
Charter Fund	B	B	17.6
Chemical Fund	C	D	11.5
Cigna Growth Fund	C	D	12.6
Claremont Capital	B	A+	13.5
Colonial Fund	B	D	21.5
Colonial Growth Shares	B	D	19.1
Colonial Option Income I	F	B	4.5
Columbia Growth Fund	A	C	6.8
Commerce Income Shares	C	C	10.4
Commonwealth Indenture A & B	D	A	13.9
Commonwealth Indenture C	F	B	12.3
Composite Bond & Stock Fund	C	D	14.1
Composite Growth Fund	D	B	19.7
Constellation Growth Fund	A+	F	27.8
Convertible Yield Securities	B	D	4.6
Corp Leaders Trust Fund Series B	D	C	26.0
Country Capital Growth Fund	C	D	8.4
Dean Witter Industry-Valued Secs	C	C	16.1
Decatur Income Fund	D	A	21.9
Delaware Fund	D	B	11.0
Delta Trend Fund	B	B	5.3
deVegh Mutual Fund	C	D	8.2
Dodge & Cox Balanced Fund	B	D	19.1
Dodge & Cox Stock Fund	C	C	18.8
Drexel Burnham Fund	C	B	22.0
Dreyfus Convertible Securities	C	C	24.3
Dreyfus Fund	D	B	16.3
Dreyfus Growth Opportunity Fund	A	C	15.0
Dreyfus Leverage Fund	B	B	18.8
Dreyfus Third Century Fund	B	C	4.6
Eaton & Howard Stock Fund	D	C	15.6
Eaton Vance Growth Fund	C	B	10.5
Eaton Vance Income Fund of Boston	D	B	14.9

Note: Funds included if they had over $10 million in net assets on Sept. 30, 1986 and have been in existence since 11/30/80.

Fund Ratings

Stock and balanced funds

Fund	Performance in UP markets	Performance in DOWN markets	12-month total return
Eaton Vance Investors Fund	B	C	8.9%
Eaton Vance Special Equities Fund	B	B	–1.6
Energy Fund	C	C	10.2
Engex	A	D	8.3
Evergreen Fund	A+	B	13.2
Evergreen Total Return Fund	C	A	20.2
Fairfield Fund	A	F	3.5
Farm Bureau Growth Fund	D	C	9.5
Federated Stock & Bond Fund	D	B	13.8
Fidelity Contrafund	C	D	18
Fidelity Destiny Portfolio I	B	A	17.6
Fidelity Discoverer Fund	B	C	15.1
Fidelity Equity-Income Fund	C	A	16.8
Fidelity Fund	C	C	15.4
Fidelity Magellan Fund	A+	A	23.6
Fidelity Puritan Fund	D	A	20.8
Fidelity Trend Fund	B	D	13.5
Financial Dynamics Fund	C	B	5.8
Financial Industrial Fund	C	C	8.2
Financial Industrial Income Fund	D	A	14.6
First Investors Discovery Fund	C	C	–14.7
First Investors Fund for Growth	B	D	–5.3
First Investors Natural Resources	D	F	–18.7
First Investors Option Fund	F	A	6.1
44 Wall Street Fund	A	C	–16.3
Founders Equity Income Fund	F	A	14.5
Founders Growth Fund	B	D	19.3
Founders Mutual Fund	C	D	16.8
Founders Special Fund	A	C	18.9
FPA Capital Fund	D	D	12.6
FPA Paramount Fund	D	A	5.5
Franklin Custodian–Dynatech	B	D	–5.8
Franklin Custodian–Growth	D	C	14.7
Franklin Custodian–Income	C	A	19.3
Franklin Custodian–Utilities	D	A+	23.7
Franklin Equity Fund	B	C	19.0
Franklin Gold Fund	A	C	30.7
Franklin Option Fund	D	B	7.6
Fund of America	C	B	6.6
Fund of the Southwest	B	C	–1.6
Fundamental Investors	D	B	21.8
Gateway Option Income Fund	F	B	12.6
General American Investors	A	C	10.0
General Securities	D	C	9.0%
Golconda Investors	D	D	35.0
Greenway Fund	B	D	9.7
Growth Fund of America	A	A	16.0
Growth Industry Shares	B	C	9.1
GT Global Growth Funds-Pacific	F	A	70.0
Guardian Mutual Fund	B	B	11.9
Guardian Park Ave Fund	B	B	18.1
Hamilton Funds	C	D	19.8
John Hancock Growth Trust	A	F	13.8
Hartwell Growth Fund	A	D	24.4
Hartwell Leverage Fund	A+	D	19.3
IDS Equity Plus	C	D	18.1
IDS Growth Fund	A+	C	19.5
IDS Mutual	C	C	21.3
IDS New Dimensions Fund	A	C	19.1
IDS Progressive Fund	C	B	9.9
IDS Stock Fund	D	C	19.6
Income Fund of America	D	A	15.2
International Investors	A	C	34.2
Investment Company of America	C	B	21.3
Investment Trust of Boston	C	F	11.9
Investors Research Fund	A+	D	28.3
ISI Growth Fund	F	A	–1.3
ISI Trust Fund	F	A+	6.1
Ivy Growth Fund	C	B	16.8
Janus Fund	B	A	11.2
Japan Fund	D	A	67.5
JP Growth Fund	D	B	13.9
Kemper Growth Fund	A	D	12.4
Kemper Option Income Fund	F	A	2.5
Kemper Summit Fund	A	C	13.9
Kemper Total Return Fund	A+	D	17.5
Keystone Custodian K-1	D	C	16.0
Keystone Custodian K-2	C	D	21.3
Keystone Custodian S-1	D	D	16.4
Keystone Custodian S-3	B	D	15.0
Keystone Custodian S-4	A	D	7.6
Keystone International Fund	D	C	47.9
Keystone Precious Metals Holdings	A	C	39.9
Lehman Capital Fund	A	B	13.9
Lehman Corp	C	C	14.4
Lehman Investors Fund	C	C	14.6

Note: Funds included if they had over $10 million in net assets on Sept. 30, 1986 and have been in existence since 11/30/80.

Fund Ratings

Stock and balanced funds

Fund	Performance in UP markets	Performance in DOWN markets	12-month total return
Lehman Opportunity Fund	B	B	6.4%
Lepercq-Istel Fund	C	D	8.2
Lexington Growth Fund	B	C	20.6
Lexington Research Fund	C	C	20.2
Lindner Fund	D	A+	13.8
Loomis-Sayles Capital Development	A	B	27.6
Loomis-Sayles Mutual Fund	B	C	24.9
Lord Abbett Developing Growth	B	D	0.4
Mairs & Power Growth Fund	C	C	11.5
Manhattan Fund	B	C	17.0
Horace Mann Growth Fund	C	D	12.1
Mass Capital Development Fund	A	B	6.1
Mass Financial Development Fund	B	D	13.1
Mass Financial Total Return Trust	B	C	19.9
Mass Investors Growth Stock Fund	B	D	12.5
Mass Investors Trust	C	D	17.6
Mathers Fund	B	B	12.9
Medical Technology Fund	A	D	15.3
Meeschaert Capital Accumulation	F	A	13.7
Merrill Lynch Basic Value Fund	C	B	17.2
Merrill Lynch Capital Fund	D	B	19.5
Merrill Lynch Equi-Bond I Fund	F	B	11.3
Merrill Lynch Pacific Fund	D	A	77.9
Merrill Lynch Special Value	B	D	1.7
MidAmerica High Growth Fund	D	B	8.7
MidAmerica Mutual Fund	D	B	11.7
Mutual Benefit Fund	D	C	22.3
Mutual of Omaha Growth Fund	D	D	15.9
Mutual of Omaha Income Fund	F	B	9.3
Mutual Qualified Income Fund	D	A	16.9
Mutual Shares Corp	C	A+	16.9
National Aviation & Technology	C	C	15.3
National Growth Fund	C	F	15.5
National Industries Fund	D	D	9.7
National Stock Fund	D	C	15.3
National Total Income Fund	B	A	22.2
National Total Return Fund	A	C	19.2
Nationwide Fund	D	B	17.5
Nationwide Growth Fund	C	B	18.2
Neuwirth Fund	A	F	8.1
New England Equity Income[1]	D	A	21.9
New England Growth[2]	A	B	18.3
New England Retirement Equity[3]	C	B	23.4
New Perspective Fund	C	B	26.8%
New York Venture Fund	A	C	22.8
Newton Growth Fund	B	D	9.1
Niagara Share Corp	A	F	11.4
Nicholas Fund	B	A+	11.7
North Star Regional Fund	B	C	22.8
North Star Stock Fund	D	B	12.9
Northeast Investors Growth	B	C	24.3
Nova Fund	C	C	7.7
Omega Fund	B	D	12.2
One Hundred Fund	B	D	20.0
Oppenheimer AIM Fund	A+	D	46.4
Oppenheimer Directors Fund	A	D	4.5
Oppenheimer Equity Income Fund	C	B	15.8
Oppenheimer Fund	B	F	2.2
Oppenheimer Premium Income	F	A	1.2
Oppenheimer Special Fund	B	B	15.1
Oppenheimer Time Fund	A	C	19.1
Over-the-Counter Securities Fund	B	A	5.4
Partners Fund	B	A	17.3
Pax World Fund	D	C	8.4
Penn Square Mutual Fund	D	C	12.9
Pennsylvania Mutual Fund	B	A	10.9
Petroleum & Resources Corp	B	D	14.4
Philadelphia Fund	C	C	8.4
Phoenix Convertible Fund	D	A	17.4
Pilgrim MagnaCap Fund	D	B	16.8
Pilot Fund	C	D	10.6
Pine Street Fund	C	C	14.3
Pioneer Fund	C	C	11.7
Pioneer II	B	A	12.3
T Rowe Price Growth Stock Fund	C	D	21.7
T Rowe Price International Fund	C	B	60.6
T Rowe Price New Era Fund	A	D	16.2
T Rowe Price New Horizons Fund	A	C	–0.1
Princor Capital Accumulation Fund[4]	D	A	11.8
Princor Growth Fund[5]	B	D	13.0
Provident Fund for Income	D	A+	12.4
Putnam Convertible Income-Growth	D	A	15.7
Putnam Energy-Resources Trust	D	D	–2.3
Putnam Fund for Growth & Income	C	B	21.9
George Putnam Fund of Boston	B	C	18.8
Putnam International Equities	C	B	38.0

Note: Funds included if they had over $10 million in net assets on Sept. 30, 1986 and have been in existence since 11/30/80.
[1]Formerly NEL Equity Fund. [2]Formerly NEL Growth. [3]Formerly NEL Retirement Equity. [4]Formerly BLC Capital Accumulation. [5]Formerly BLC Growth.

Fund Ratings

Stock and balanced funds

Fund	Performance in UP —markets—	DOWN	12-month total return
Putnam Investors Fund	B	D	15.0%
Putnam Option Income Trust	F	B	11.7
Putnam Vista Basic Value	B	B	19.4
Putnam Voyager Fund	A	C	20.2
Quasar Associates	A+	C	11.4
Quest for Value Fund	B	A	14.3
Safeco Equity Fund	C	C	12.6
Safeco Growth Fund	B	B	1.8
Safeco Income Fund	D	B	20.0
Scudder Capital Growth Fund	A	D	16.5
Scudder Development Fund	B	B	7.6
Scudder Growth & Income Fund	B	D	17.8
Scudder International Fund	C	B	50.5
Security Equity Fund	A	D	13.1
Security Investment Fund	D	C	11.6
Security Ultra Fund	A	D	5.1
Selected American Shares	D	B	17.0
Selected Special Shares	C	D	7.4
Seligman Capital Fund	A	D	18.3
Seligman Common Stock Fund	B	C	22.1
Seligman Growth Fund	B	D	16.5
Seligman Income Fund	D	B	17.0
Sentinel Balanced Fund	D	B	19.0
Sentinel Common Stock Fund	D	A	23.7
Sentinel Growth Fund	A	D	12.9
Sentry Fund	B	C	15.1
Sequoia Fund	D	A+	12.6
Shearson Appreciation Fund	B	B	20.0
Sigma Capital Shares	B	B	11.4
Sigma Investment Shares	D	B	25.3
Sigma Special Fund	B	C	16.5
Sigma Trust Shares	D	B	18.3
Sigma Venture Shares	A	B	5.3
Smith Barney Equity Fund	B	C	16.2
Smith Barney-Income & Growth	D	A	21.3
Sogen International Fund	C	A	25.1
Source Capital	C	A+	13.7
Sovereign Investors	D	A	21.9
State Bond Common Stock Fund	C	D	13.9
State Bond Diversified Fund	D	C	19.8
State Street Investment Corp	C	C	12.0
Steadman Associated Fund	F	B	2.8
Stein Roe & Farnham Capital Opp	A+	D	16.8
Stein Roe & Farnham Stock Fund	A	F	17.4%
SteinRoe Special Fund	A	C	14.8
SteinRoe Total Return Fund	A	F	16.9
SteinRoe Universe Fund	B	D	13.2
Strategic Investments Fund	A	F	28.3
Stratton Growth Fund	C	C	11.8
Stratton Monthly Dividend Shares	D	A+	20.4
Surveyor Fund	B	D	14.0
Technology Fund	B	D	14.2
Templeton Growth Fund	C	A	21.3
Templeton World Fund	C	B	17.9
Transatlantic Fund	C	D	51.7
Tri-Continental Corp	B	D	22.3
Tudor Fund	A	B	12.4
20th Century Growth Investors	A+	C	19.4
20th Century Select Investors	A+	B	20.7
Unified Mutual Shares Fund	D	C	11.6
United Accumulative Fund	C	C	17.5
United Continental Income Fund	A	C	18.5
United Income Fund	C	B	22.3
United International Growth	C	B	28.8
United Science & Energy Fund	C	D	18.1
United Services-Gold Shares Fund	A	C	37.5
US Trend Fund	B	B	9.4
United Vanguard Fund	B	B	17.7
USAA Mutual-Growth Fund	C	D	9.8
Value Line Fund	B	B	16.7
Value Line Income Fund	D	A	16.3
Value Line Leveraged Growth Inv	B	A	23.3
Value Line Special Situations	A	B	5.1
Vance, Sanders Special Fund	C	A	-5.5
Vanguard Explorer Fund	A	B	-8.7
Vanguard Index Trust	C	D	16.9
Vanguard WL Morgan Growth Fund	B	C	7.8
Vanguard Naess & Thomas Special	B	C	0.1
Vanguard Qualified Dividend I	D	A+	21.6
Vanguard Trustees' Commingled-US	C	C	15.6
Vanguard Wellesley Income Fund	D	A	18.4
Vanguard Wellington Fund	B	D	18.2
Vanguard Windsor Fund	C	A	20.2
Washington Mutual Investors	D	A	22.5
Weingarten Equity Fund	A+	C	24.4
WPG Fund	A	D	11.5

Note: Funds included if they had over $10 million in net assets on Sept. 30, 1986 and have been in existence since 11/30/80.

Fund Ratings

Bond and preferred stock funds

Please resist the temptation to read the yield column first. It is one of the first things people want to know about a bond fund. But, taken out of context, this information can be harmful to your investment health.

Consider, for example, the American Capital High Yield Investment Fund. Bond fund buyers who shop for income might think this is a terrific investment. Its income dividends last year came to a rich 13.7% of year-end net assets.

But what does it profit an investor to gain a big yield and lose his principal? Look at the total return column. That column is the real bottom line. It combines interest yield with capital gains or losses. American Capital High Yield had a total return last year of 6.7%—meaning it lost a chunk of its investors' capital. If you started with $1,000 and reinvested dividends at the end of every month you were $67 ahead at year-end. Pretty lousy during a bull market for bonds.

There's a thriving business these days in pumping up yields on funds. What the funds are doing, in effect, is taking away some of your principal and handing it back to you and calling it income. There are a lot of ways to play this game, from buying junk bonds to buying U.S. bonds with goofy foreign-currency provisions *(see box, p. 129).*

Besides total return, you also need to know how much risk the managers took to achieve whatever total return they showed. Last year it was easy to make money in bonds, because interest rates fell. Sure, but rates sometimes go up. What happens if interest rates rise in 1987? Some of the same guys who made the most last year will lose the most this year. So a good return last year may be more luck than genius if it was accomplished simply by buying the bonds most sensitive to interest rate changes.

Which ones are those? Other things being equal, longer-maturity bonds are the most sensitive. But bond call provisions and the size of coupons also play a role.

Rather than look merely at average maturities, we computed rate-risk levels by comparing a fund's results month by month over the past two years to the Merrill Lynch Corporate/Government bond index. This may sound complicated, but it really isn't: We are simply measuring fluctuations in each fund's asset value against fluctuations in the market. No rating is shown if the fund is less than two years old or if it historically has not tracked the overall bond market.

Most of the raw data on the funds are from CDA Investment Technologies in Bethesda, Md.

Fund	—12 months— total return	yield	Interest rate risk
Alliance Bond Fund-High Yield	11.0%	13.6%	
Alliance Bond Fund-US Govt	10.0	11.2	
Alliance Mortgage Secs Income	11.1	10.9	low
American Capital Bond Fund	10.2	9.7	
American Capital Corp Bond	11.4	11.2	average
American Capital Govt Secs	10.5	7.7	average
American Capital High Yield Inv	6.7	13.7	
American Funds Inc-US Govt Guar	12.3	9.8	
AMEV Securities	13.9	9.6	average
Benham Govt Income-GNMA	11.5	9.8	
Bond Fund of America	15.1	10.1	average
Bull & Bear High Yield Fund	6.0	13.6	
Bullock High Income Shares	4.6	14.0	
Cigna High Yield Fund	15.9	11.7	
Cigna Income Fund	18.0	7.8	very high
Colonial Govt Securities Plus	15.6	7.8	high
Colonial High Yield Securities	14.8	12.2	
Colonial Income Fund	12.2	11.2	average
Columbia Fixed Income Securities	12.5	9.2	average
Criterion Bond-Investment Qual	15.4	9.2	very high
Criterion Bond-US Govt Hi Yield	5.9	8.0	
Dean Witter High Yield Secs	16.5	12.8	

Fund	—12 months— total return	yield	Interest rate risk
Dean Witter US Govt Securities	8.3%	10.0%	
Delchester Bond Fund	16.8	12.6	average
Drexel Series-Government Secs	10.7	9.5	
Dreyfus A Bonds Plus	13.9	8.9	high
Dreyfus GNMA Fund	9.5	9.3	
Eaton Vance Govt Obligations	13.3	9.7	average
Federated GNMA Trust	10.9	9.8	low
Federated High Income Securities	12.4	12.2	
Federated High Yield Trust	15.9	12.0	
Federated Income Trust	9.8	9.7	
Federated Intermediate Govt	11.9	8.6	low
Federated Short-Intermed Govt	9.5	8.4	very low
Fidelity Flexible Bond Fund	13.7	9.5	high
Fidelity Ginnie Mae	13.0	8.7	
Fidelity Government Securities	14.7	8.9	average
Fidelity High Income Fund	18.1	11.4	average
Fidelity Mortgage Securities	11.0	9.5	low
Fidelity Thrift Trust	13.1	5.7	high
First Investors Bond Apprec	11.5	10.2	
First Investors Fund for Income	13.0	12.8	
First Investors Government Fund	12.4	9.1	low
Fort Dearborn Income Secs	18.6	8.5	

Note: Funds included if they had over $100 million in net assets on Sept. 30, 1986 and have been in existence since 12/31/85.

Fund Ratings

Bond and preferred stock funds

Fund	—12 months— total return	yield	Interest rate risk
Franklin AGE High Income Fund	12.8%	13.3%	
Franklin Custodian-US Govt	10.6	11.3	low
Fund for US Govt Securities	8.6	10.0	
John Hancock Bond Trust	13.6	9.7	high
John Hancock Income Securities	14.6	9.3	
John Hancock Investors	15.0	9.2	
John Hancock US Govt Guar Mort	11.4	9.6	
John Hancock US Govt Securities	14.5	8.5	high
Home Investors Govt Guar Income	9.1	8.4	
Hutton Invest-Bond & Income	21.8	9.3	very high
Hutton Invest-Government Secs	16.3	11.2	average
IDS Bond Fund	20.3	9.2	high
IDS Extra Income Fund	16.4	10.8	average
IDS Federal Income Fund	12.5	8.3	
IDS Selective Fund	18.0	8.9	high
InterCapital Income Securities	16.4	10.4	average
Investment Portfolios-Govt Plus	11.6	8.0	average
Investment Portfolios-High Yield	18.6	8.7	low
Kemper High Yield Fund	18.2	11.0	low
Kemper Income & Capital Preserv	14.5	10.3	average
Kemper US Govt Securities	16.2	10.5	high
Keystone Custodian B-1	13.6	9.0	high
Keystone Custodian B-2	12.5	10.1	average
Keystone Custodian B-4	9.3	12.4	
Kidder Peabody Govt Income	7.0	7.7	
Lexington GNMA Income Fund	11.9	9.1	low
Lord Abbett Bond-Debenture Fund	10.5	11.6	
Lord Abbett US Govt Securities	15.0	10.6	average
Mass Financial Bond Fund	16.3	10.0	high
Mass Financial High Income Trust	10.8	13.5	
Mass Financial Intl-Bond	37.9	7.2	
MassMutual Corporate Investors	27.4	10.1	
MassMutual Income Investors	10.8	11.2	
Merrill Lynch Corp Bond-Hi Inc	12.9	11.7	
Merrill Lynch Corp Bond-Hi Qual	13.8	9.0	average
Merrill Lynch Federal Securities	12.8	8.7	average
MFS Government Guaranteed Secs	10.2	9.5	low
Montgomery Street Income Secs	13.9	10.0	high
National Bond Fund	5.4	14.7	average
National Federal Securities	9.6	10.7	average
New England Life Government Secs	12.0	7.7	
Northeast Investors Trust	20.4	10.7	
Oppenheimer High Yield Fund	9.7	13.4	

Fund	—12 months— total return	yield	Interest rate risk
Oppenheimer US Government	11.9%	9.5%	
PaineWebber Fixed Inc-GNMA	11.1	11.6	low
PaineWebber Fixed Inc-High Yield	14.1	13.5	low
PaineWebber Fixed Inc-Inv Grade	14.4	11.2	average
Phoenix High Yield Fund	15.9	12.4	
Pilgrim GNMA Fund	6.5	10.4	
T Rowe Price GNMA Fund	11.0	9.0	
T Rowe Price High Yield Fund	15.0	11.9	
T Rowe Price New Income Fund	13.9	8.4	average
T Rowe Price Short-Term Bond	8.3	7.4	
Prudential-Bache GNMA Fund	10.6	7.7	average
Prudential-Bache Govt Plus	11.6	6.8	
Prudential-Bache Govt-Intermed	13.1	9.1	average
Prudential-Bache High Yield Fund	14.9	9.8	
Putnam High Income Government	14.2	8.9	
Putnam High Yield Trust	13.5	13.6	
Putnam Income Fund	12.6	10.7	average
Putnam US Govt Guaranteed Secs	11.0	10.2	very low
Scudder Govt Mortgage Secs	10.5	8.4	
Scudder Income Fund	14.6	9.1	average
Shearson High Yield Fund	11.5	11.8	
Shearson Lehman-Long Term Govt	10.3	6.5	
Shearson Managed Governments	10.6	9.0	low
Smith Barney-US Government	10.8	10.3	
SteinRoe Managed Bonds	16.3	9.0	high
Thomson McKinnon Income Fund	10.6	10.8	low
Thomson McKinnon US Govt	12.5	8.5	
Transamerica Income Shares	18.0	9.7	average
20th Century US Govt Investors	9.9	8.4	very low
United Bond Fund	15.1	8.7	very high
United Government Securities	16.9	8.5	very high
United High Income Fund	14.7	12.4	
USAA Mutual-Income Fund	12.6	10.7	average
Value Line US Government Secs	10.7	10.3	average
Van Kampen Merritt US Govt	13.8	10.9	average
Vanguard Fixed Income-GNMA	11.8	10.0	low
Vanguard Fixed Income-Hi Yld	16.1	11.2	low
Vanguard Fixed Income Inv Grade	14.3	10.3	average
Vanguard Fixed Income-Short Term	11.4	8.2	
Vanguard Qualified Dividend II	24.7	8.9	
Vanguard Qualified Dividend III	4.2	7.4	
Yes Fund	8.5	10.8	average

Note: Funds included if they had over $100 million in net assets on Sept. 30, 1986 and have been in existence since 12/31/85.

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Forbes

IF THE DOLLAR DROPS FARTHER-

WHAT SHOULD INVESTORS DO?

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Forbes

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February 23, 1987 Volume 139 Number 4 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year. U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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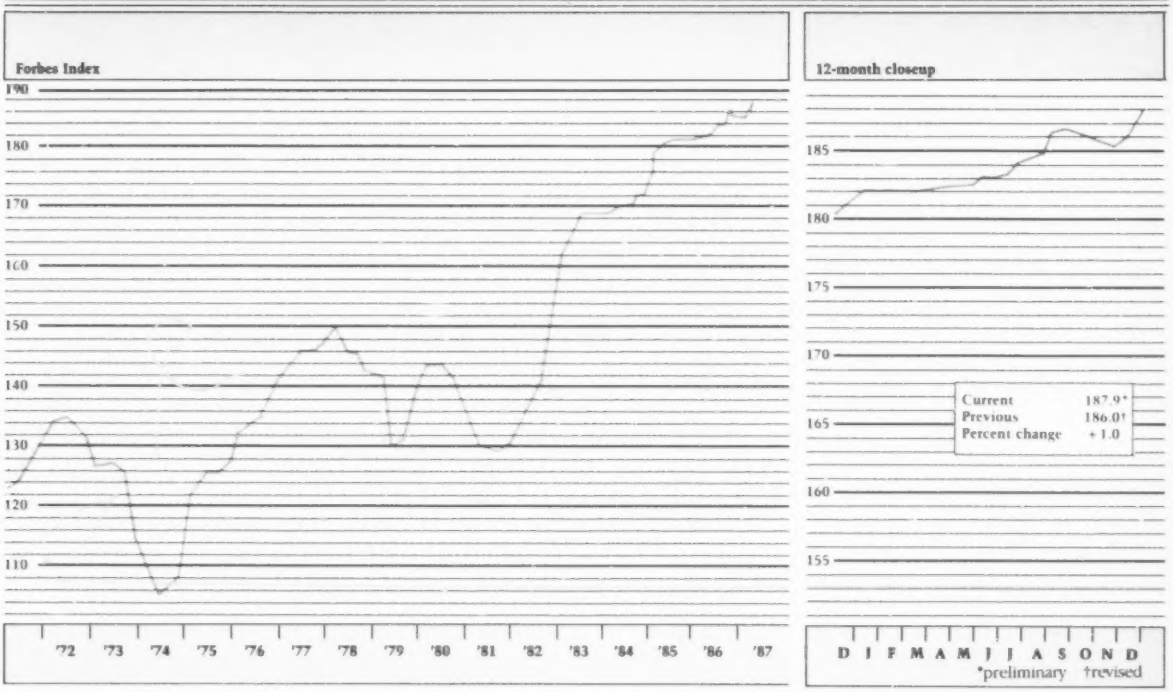
The Forbes Index



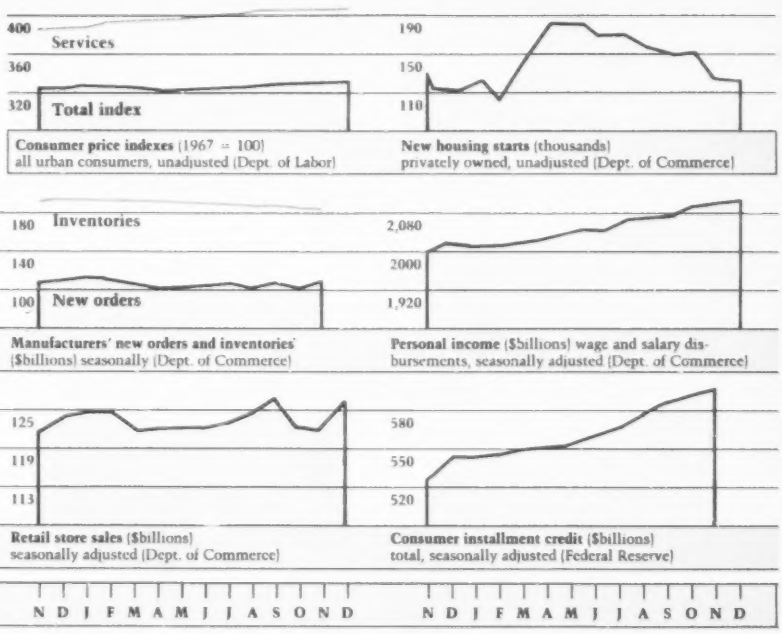
Help from a falling dollar. The Forbes Index went up 1% during the latest reporting period, hitting yet another record high. A weaker dollar finally seems to be having some impact on industrial production. That component of the Forbes Index rose 0.5% in December, following advances of 0.6% in November and 0.3% in October. Among the strongest sectors were consumer goods and nondurable materials, both sensitive to international competition, and defense, which is not.

Personal income also helped the Index, rising 0.3% from November to December. Construction, however, remains weak. New housing starts fell by 1.6% in December and were 5.4% lower than a year ago. And the new tax law will probably hurt commercial construction.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements. Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)

New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)

Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)

Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)

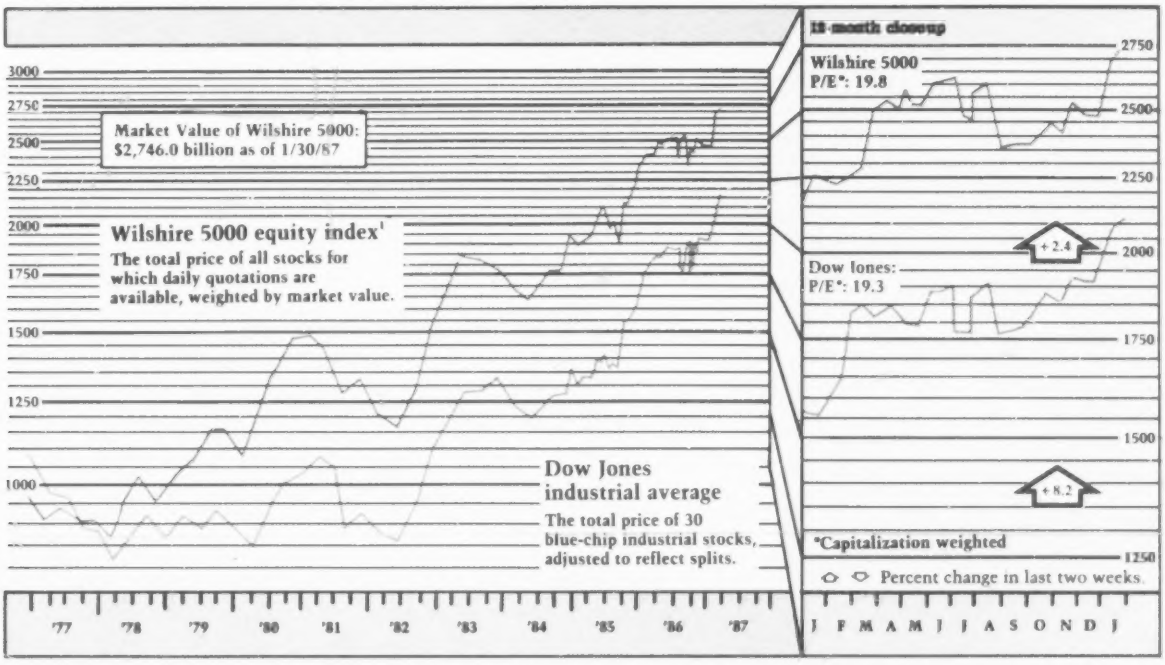
Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)

Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



A good cheap stock is hard to find. With the Wilshire jumping 12.6% and adding more than $300 billion in market capitalization since the start of the year, the average stock now sells at nearly 20 times earnings (last 12 months). Even The Forbes Sales 500 sport a P/E multiple of 18.2. True, Wall Street is expecting higher earnings this year. The Forbes 500 list is now selling at 13 times the earnings that security analysts expect these big companies to haul in this year. But if past years are a guide, analysts will reduce their earnings estimates as 1987 progresses, keeping the multiple up in the sky.

Some secondary stocks, particularly those trading on the Nasdaq, seem less overvalued than the blue chips *(see story, p. 154)*. While the Dow gained 3.9% in the last two weeks, Nasdaq shares rose only 0.6%. Over the last year the Nasdaq is up only 16.8%, vs. 37.4% for the Dow. The Amex, however, seems to be catching up. Amex shares shot up 3.3% during the last ten trading days.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	10.8	10.7	12.0	10.7	12.3	11.0
in last 52 weeks	25.6	22.8	37.4	27.8	23.2	16.8

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	11.0	12.1	17.0	7.2	11.5	8.5	6.7	13.3	17.3	7.6	9.8	11.6
in last 52 weeks	28.9	37.9	52.9	28.0	19.3	24.6	21.0	35.6	47.8	29.5	31.6	21.0

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 1/30/87. Prepared by Wilshire Associates, Santa Monica, Calif.

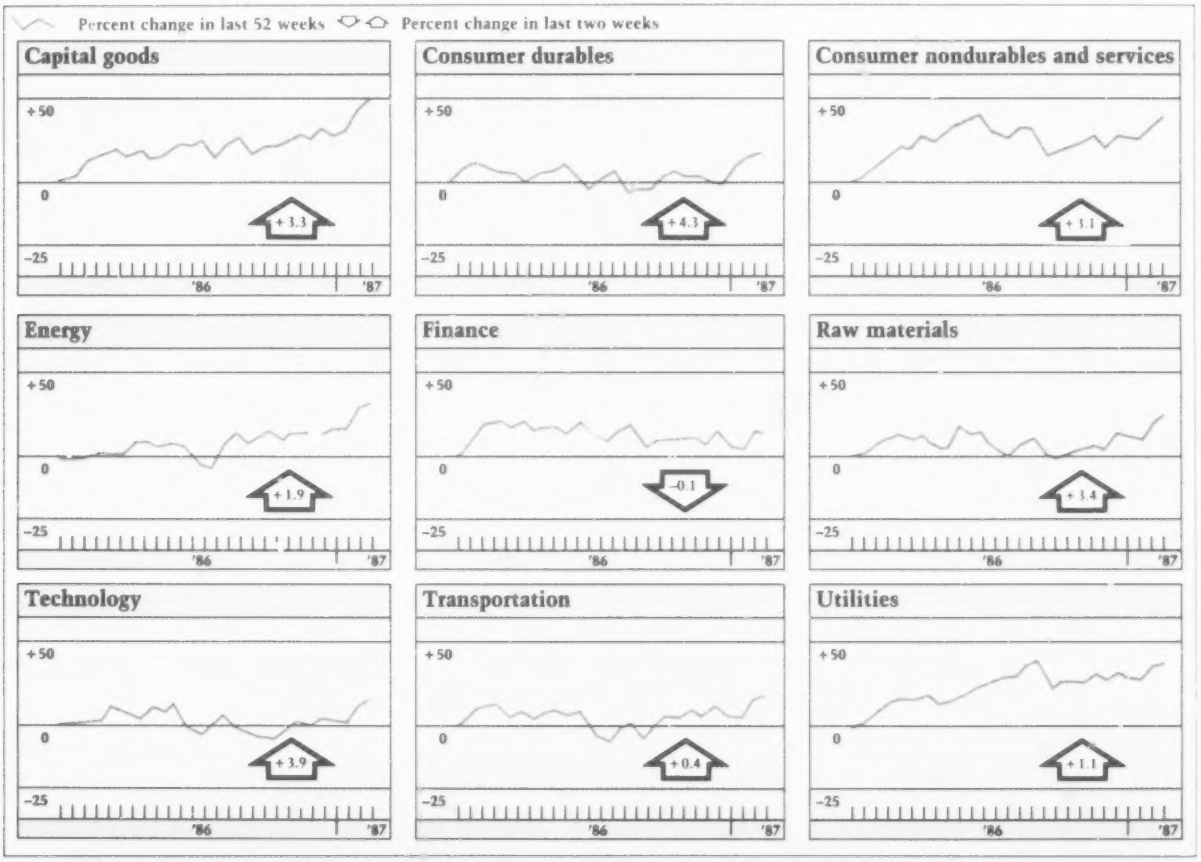
Gus French

Where The Action Is

Freedom's rewards. Goodyear Tire, which had to restructure to fend off takeover terror Jimmy Goldsmith, went up 11% in the last two weeks. The firm invited the tender of 40 million common shares in a stock buyback. Goodyear's rise helped consumer durables gain 4.3%.

The sector that includes services was one of the top four-week performers. Home Shopping Network *(see p. 40)*, which markets consumer products over its own cable-TV networks, went up 43% on hopes for its planned acquisitions of Baltimore Federal Financial and COMB, its biggest competitor.

Finance was the worst-performing group over the last two weeks. This sector was dragged down by Salomon, off 12%, and Meridian Bancorp, off 11%.



What The Analysts Think

No prisoners. Wall Street analysts chopped 1987 earnings estimates for eight out of the nine sectors. Only the consumer durables group, revised slightly upward, was spared. But there may still be some bargains. The finance, utilities and consumer durables sectors currently sell for estimated 1987 P/Es under that of the Forbes Sales 500.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.62	18.2
1987 estimates	3.67	13.0
1988 estimates	4.66	12.4

NA: Not available.

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Consumer durables	$3.56	12.8	0.04%	-0.80%
2	Finance	3.75	9.2	-0.01	-0.05
3	Energy	2.36	16.2	-0.16	-0.68
4	Utilities	3.39	10.6	-0.27	-0.36
5	Consumer non-durables	2.44	15.9	-0.30	-0.76
6	Raw materials	2.35	15.4	-0.54	-0.78
7	Transportation	2.51	13.0	-0.88	-6.72
8	Technology	2.94	14.6	-1.3[illegible]	-2.04
9	Capital goods	2.61	16.3	-1.46	-1.77

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 1/30/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

The Forbes/TUCS Institutional Portfolio Report

Edited by Steve Kichen

Value players did well last year, according to Santa Monica, Calif.-based Wilshire Associates' most recent survey of pension fund managers.

Doesn't every portfolio manager like to think of himself as a buyer of undervalued securities? Sure, but here the category refers specifically to managers who focus on such fundamental criteria as book value and cash flow. For the 12 months through December, equity managers with this style delivered a total return of 19.1%. That compares with the 18.6% return on the S&P's 500 stocks and 16.1% on the broader Wilshire 5000 index.

Interestingly, given the value players' performance, many managers are adding more risk to their portfolios. At year-end the median pension fund manager had a portfolio of stocks with an average price/earnings ratio of 18. The Wilshire index' P/E was 17.4. And pension fund stocks were selling at an average 2.8 times book value, compared with 2.3 times book for the Wilshire index. Since year-end, of course, the multiples have climbed even higher.

These revelations come courtesy of the Trust Universe Comparison Service, a Wilshire survey that collects data on some 1,000 pension funds whose combined assets make up about a fourth of the country's $1.6 trillion total pension assets.

What was the worst performing style of equity management in 1986? It was what Wilshire calls "emerging growth," meaning shares of more speculative, mostly over-the-counter stocks, frequently high-tech companies. This style produced a median return of only 12.4%. Small growth companies still cost more (in terms of their earnings multiples) than the rest of the market, but their premium is much smaller than usual *(see story, p. 154)*.

The median return for all institutional stock managers was 18.5%, including dividends, a bit better than the 16.1% return on the Wilshire 5000 but slightly worse than the return on the S&P's 500, which underweights smaller companies.

The table at right, "Segment performance and cash flows," shows where the pros are moving money. Overall, companies have been taking more money out of their pension funds than they've been putting in, as the –4.5% figure shows. Assets of the funds nonetheless increased, since the withdrawal rate was more than compensated for by strong results in both stocks and bonds.

How different managers performed

Manager style	Total return recent quarter	12 months	24 months[3]
Diversified	4.3%	17.2%	23.3%
Growth	4.7	15.4	22.9
Growth—emerging	3.8	12.4	21.3
Market timer	3.7	16.9	21.1
Sector rotator	4.2	15.5	21.9
Value	4.1	19.1	24.1

Where the institutions put their money

Segment	Portfolio weighting—most recent quarter	previous quarter
Equity	54.6%	54.2%
Fixed income	32.3	33.0
Cash and equivalents	9.9	9.5
Convertibles	0.8	0.8
Other[1]	2.6	2.5

Equity portfolio characteristics

	Institutional portfolios	Wilshire 5000
Price/earnings ratio	18.0	17.4
Dividend yield	2.8%	3.6%
Beta[2]	1.01	1.06
Price/sales	1.14	1.09
Price/book	2.77	2.33

Segment performance and cash flows

Segment	Most recent quarter—median total return	Most recent quarter—shift in institutional holdings	Latest 12 months—median total return	Latest 12 months—shift in institutional holdings
Equity	4.6%	–1.6%	18.0%	–8.5%
Fixed income	3.4	–3.6	15.0	–1.2
Cash equiv	1.5	4.2	7.0	–2.9
Convertibles	2.9	–7.1	15.4	–26.8
Other[1]	2.7	2.7	10.6	–5.8
Total	4.4	–2.9	18.5	–4.5

Position changes: These securities had the greatest relative change in holdings over the last quarter

Security	Increase in holdings	Total quarter return	Security	Decrease in holdings	Total quarter return
General Electric	3.5%	20.5%	IBM	–4.9%	–10.0%
Eastman Kodak	2.2	30.1	Unisys	–3.8	15.1
Halliburton	2.1	13.2	JP Morgan	–2.1	2.5
Exxon	2.0	5.6	Goodyear Tire	–2.0	21.1
AT&T	1.8	11.2	Boeing	–1.4	–3.6
Merck	1.7	26.4	Intl Paper	–1.4	11.4
May Dept Stores	1.4	7.1	Gannett	–1.1	5.2
SmithKline Beck	1.3	19.0	Amer Intl Group	–0.8	–0.7
Nynex	1.1	4.8	General Re	–0.8	–2.7
Waste Mgmt	1.0	15.6	Transamerica	–0.8	–0.4

[1]Real estate, foreign investments, venture capital, guaranteed insurance contracts. [2]A measure of risk. A stock with a beta of 1.00 tends to move up or down at the same rate as the S&P's 500. [3]Figures for 24 months are annualized.

Note: Data for quarter ending 12/31/86. Prepared by the Trust Universe Comparison Service (TUCS®), a service of Wilshire Associates, Santa Monica, Calif.

Where the institutions are—and aren't

Most overweighted relative to Wilshire 5000			Most underweighted relative to Wilshire 5000		
	% of			% of	
Security	institutional universe	Wilshire 5000	Security	institutional universe	Wilshire 5000
Digital Equipment	1.2%	0.8%	Exxon	0.9%	3.0%
Halliburton	0.3	0.2	IBM	2.4	4.3
General Re	0.5	0.3	AT&T	0.4	1.6
ITT	0.6	0.4	British Petroleum	0.2	1.2
SmithKline Beckman	0.6	0.4	Royal Dutch Petroleum	0.6	1.5
Federated Dept Stores	0.4	0.2	General Electric	1.4	2.3
Waste Management	0.5	0.3	BellSouth	0.4	1.1
Cray Research	0.3	0.1	EI du Pont de Nemours	0.5	1.2
Apple Computer	0.3	0.2	Amoco	0.5	1.0
Philip Morris	1.1	1.0	General Motors	0.7	1.2

IBM remains the largest institutional holding, but it is falling out of favor. In three of the last four quarters IBM has been at or near the top of the list of stocks with the greatest decline in institutional ownership. Smaller investors had difficulty picking up the slack on a stock that had a year-end market capitalization of more than $73 billion: The price of IBM shares fell 22.8% in 1986. Also on the hit list were transportation stocks. During the fourth quarter the transportation sector fell from 4.2% to 3.7% of the institutional portfolio. In this group AMR and UAL posted the biggest drops in holdings.

General Electric shows the greatest increase in institutional holdings. But GE is still significantly underweighted in institutional portfolios.

Sector activity and top holdings

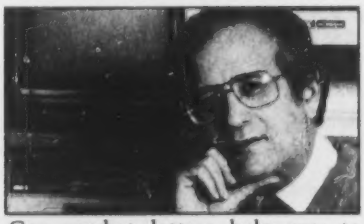
% of institutional portfolio: ■ most recent quarter ■ previous quarter

Capital goods	4.5% 4.9%	Consumer durables	4.8% 5.2%	Consumer nondurables	28.4% 28.7%
	total return		total return		total return
General Electric	20.5%	General Motors	–0.9%	Philip Morris	9.6%
Emerson Electric	4.9	Ford Motor	7.3	Merck	26.4
Westinghouse Electric	6.8	Chrysler	3.7	Eastman Kodak	30.1
Caterpillar Tractor	6.3	Goodyear Tire & Rubber	21.1	SmithKline Beckman	19.0
Cooper Industries	3.1	Whirlpool	14.8	Wal-Mart Stores	10.8
Energy	9.7% 9.1%	Finance	13.9% 12.6%	Raw materials	13.3% 12.6%
	total return		total return		total return
Exxon	5.6%	American Express	1.3%	EI du Pont de Nemours	5.8%
Royal Dutch Petroleum	7.3	General Re	–2.7	Waste Management	15.6
Mobil	8.6	American Intl Group	–0.7	Monsanto	13.4
Amoco	1.9	Citicorp	7.0	Dow Chemical	10.0
Chevron	4.5	Aetna Life & Casualty	–0.6	Allied-Signal	–0.1
Technology	14.8% 15.7%	Transportation	3.7% 4.2%	Utilities	6.9% 7.0%
	total return		total return		total return
IBM	–10.0%	Norfolk Southern	7.9%	Pacific Telesis Group	3.1%
Digital Equipment	16.6	AMR	–5.5	Nynex	4.8
ITT	10.3	CSX	7.0	Southwestern Bell	7.5
Minnesota Mng & Mfg	16.9	Union Pacific	10.6	GTE	12.1
Hewlett-Packard	8.9	Federal Express	–3.3	AT&T	11.2

Most traders don't believe that market letters can help them make money. Objective evidence says that is not true.

MAILBOX MAVENS

By Stanley W. Angrist



Can market letters help you to make money in futures? Considerable help is available in answering that question from Bruce Babcock's *Commodity Traders Consumer Report.* This bimonthly tracks 26 market letters, with an annual review issue. Last year's results have just been published, and I will summarize them here. Since consistency is nearly everything in commodity trading, the table here gives the record for those letters whose recommendations did well last year and in 1984 and 1985. Four were not published in all three years.

A number of letters that ranked well in the previous two years no longer are listed. Most notable is the *TASAS* letter, started by Craig Pardey, which was ranked number one in nearly every dimension in 1984. Pardey quit publishing his letter in 1985 and began managing a pool of money based on his proprietary trading system. In August 1986 he elected to close down his pool after the average equity of each account had dropped to $13,000, from an initial value of $35,000. (Most of the original investors in his pool made money because there had been interim profit disbursements between inception and shutdown.)

And yet, as the table reveals, there are several market letters that have been able to generate profitable records for two or, in some cases, three years. One of the most ways to evaluate the performance of a market letter is to look at the profit per trade. This number is arrived at by computing the profits generated after all losses and dividing the result by the total number of trades. (Trades open on Dec. 31 are assumed to be closed at that day's end.) I then deducted $100 per trade from the profit per trade to allow for commissions and slippage.

Because commodity speculation is such a difficult activity, traders frequently look for psychological reinforcement by seeking to maximize the percentage of profitable trades. As the table indicates, such a percentage is not necessary in order to reap substantial profits.

When following the advice of a market letter, if you want to show the same profits as the letter, you must take all trades recommended. No one is smart enough to pick only the winners. *CTCR* estimates the required margin to take each trade that a letter writer suggests and then computes the return you would have achieved based on that margin. But in order to allow for the fact that not everyone can get exchange minimum margins, *CTCR* doubles the minimum margin required when computing the return. Some letters, indeed, have achieved impressive results. In choosing a service, it is not enough to pick the one that has the best performance numbers; more important is to choose one that is compatible with your own trading style.

You can learn more about these market letters by subscribing to *CTCR* (916-677-7562).

The six-month-long rally in cotton that has seen the price of that commodity almost double since June has been breathtaking to observe. However, I believe that cotton could again become a carrying-charge market. Therefore, I would try to put on a spread of long July/short May, with July at no more than a 10-point premium to May. Look for the spread to widen at least 100 points ($500) per spread and risk no more than 60 points ($300) per spread, with both target and stop calculated from your entry position. The margin on this spread is about $500, and the round-turn commission at a discounter, $40 or so. ■

Stanley W. Angrist is a commodity speculator, consultant and longtime observer of the commodity markets.

Profits from the post office

Listed below are abbreviated performance records for eight market letters that had respectable records last year. These letters can be used as valuable trading tools. In computing the profit per trade, $100 has been subtracted to allow for commissions and slippage. Extensive details on these and other letters are available from *Commodity Traders Consumer Report.*

Market Letter	1986 P	1986 %	1986 R	1985 P	1985 %	1985 R	1984 P	1984 %	1984 R
The Timing Device	$772	38	107%	–	–	–	–	–	–
The Elliott Wave Theorist	669	59	82	$ 9	42	2%	$292	50	67%
DeMark Futures Forecast	497	53	115	114	51	77	–	–	–
The Bullish Consensus	437	53	91	310	51	102	–	–	–
Kimball Letter	320	40	19	–343	40	–23	69	38	12
Dines Commodity Letter	215	29	16	42	33	9	–	–	–
Accu Comm Futures	100	46	58	123	63	39	118	76	25
Commodity Timing	71	41	56	–30	40	–17	63	45	9

P: Profit per trade. %: Percent profitable trades. R: Return on margin.

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MARCH 9, 1987 THREE DOLLARS FIFTY CENTS

NEW STOCK ISSUES — WILL THE BOOM CONTINUE?

Forbes

REPORT FROM SOUTH AFRICA

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March 9, 1987 Volume 139 Number 5 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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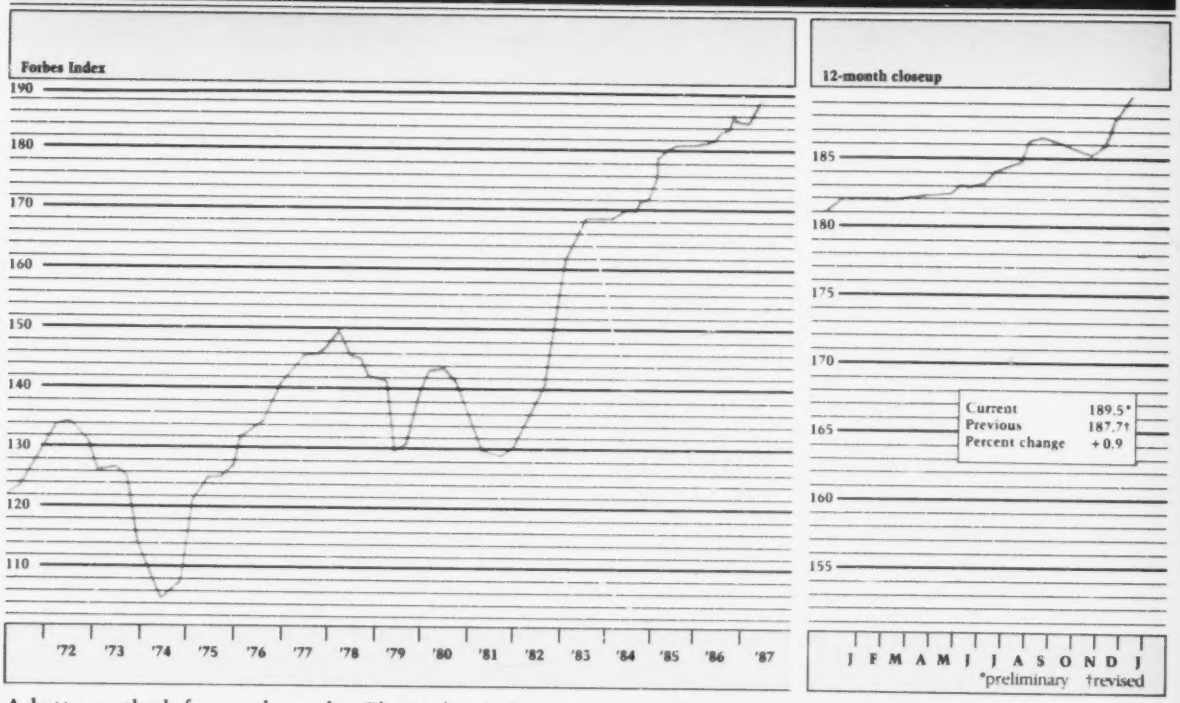
The Forbes Index



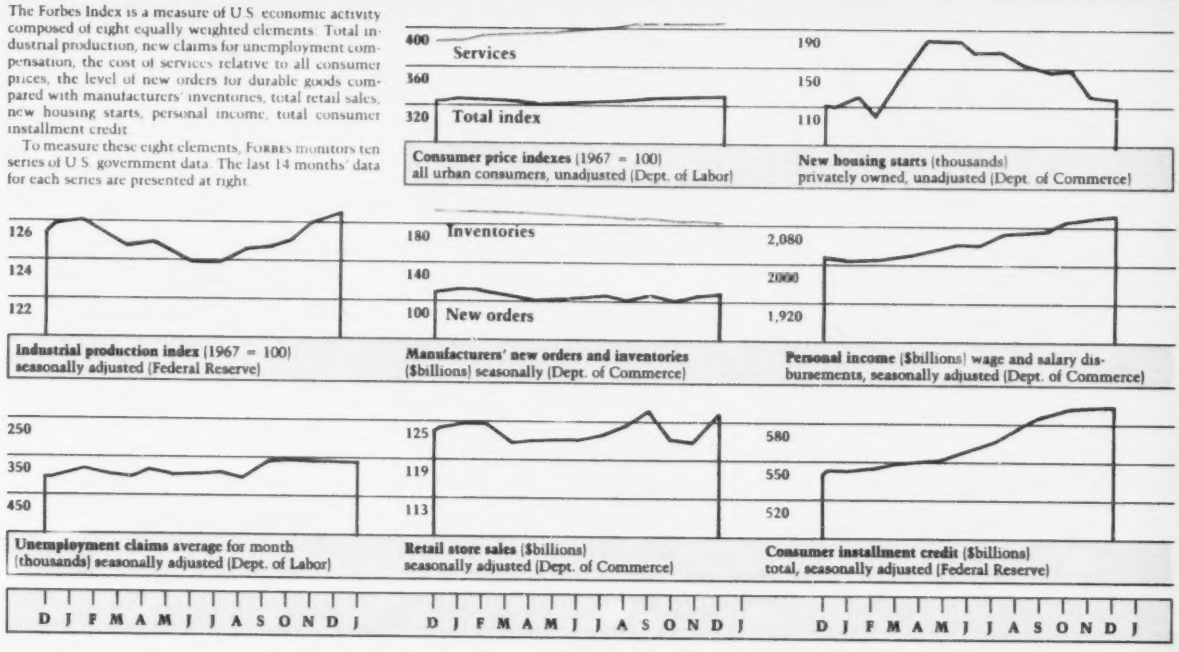
A better outlook for smokestacks. The Forbes Index increased 0.9% during the latest reporting period, thanks, in large part, to a 1.3% jump in the ratio of manufacturers' new orders for durable goods (for the three months ending in December) to inventories (in December). From November to December new orders went up 0.9%, while inventories dropped 0.9%. It was the second consecutive month new orders outpaced inventories. Meaning: Manufacturing should pick up steam in the months ahead.

Consumer borrowing, meanwhile, seems to have leveled off. During November consumer installment debt remained virtually unchanged at $595 billion. But consumer spending should remain strong, owing to an increase in household wealth from corporate stock holdings.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Last year's new issue market doubled the previous record, set in 1983. Once again the best merchandise came from the full-service regional brokerage houses.

New issues: Who's hot, who's not

By Richard L. Stern and Zoran Lazarević

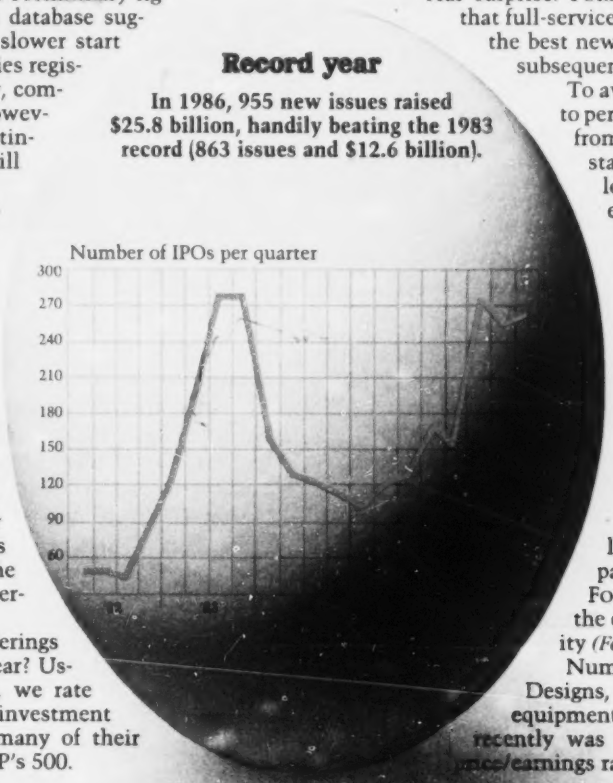
UNNOTICED in the surging stock market, the flotation of new equity issues has become a veritable flood. Last year investment bankers took 955 companies public and raised $25.8 billion—doubling the old record of $12.6 billion that was set in 1983. Preliminary figures in FORBES' 4,000-issue database suggest that 1987 got off to a slower start than 1986. Only 60 companies registered to go public in January, compared with 102 last year. However, if the stock market continues to climb, 1987 may still outpace 1986.

The number one investment banking firm in terms of new issue capital raised was Merrill Lynch *(see table, p. 83)*, followed by Goldman, Sachs. (We count only the lead underwriter.) Smallish Lazard Frères was number four by dint of the $1.3 billion Henley Group offering, which was the largest new issue of the year. Allen & Co. climbed to number six, primarily because of its role as lead manager in the $1.2 billion Coca-Cola Enterprises offering.

Sheer size aside, whose offerings did best for investors last year? Using our exclusive database, we rate the performance of the investment bankers in terms of how many of their issues outperformed the S&P's 500.

Record year

In 1986, 955 new issues raised $25.8 billion, handily beating the 1983 record (863 issues and $12.6 billion).



In investment performance, numbers one, two, three and four are New York regional Keefe Bruyette, which specializes in bank offerings, Minneapolis-based Piper Jaffray, Atlanta-based Robinson Humphrey (a subsidiary of Shearson Lehman) and Dain Bosworth of Minneapolis. No real surprise. FORBES has pointed out before that full-service regional firms tend to have the best new issue offerings in terms of subsequent appreciation.

To avoid misleading investors as to performance, we have removed from our performance sweepstakes issues of $5 million or less. Too many of these are either penny stock issues or low-quality speculative issues brought out by promotional brokerage houses and susceptible to manipulation and worse.

The number one performing issue for 1986 *(see table, p. 84)* was Home Shopping Network. This sales-via-TV operation, after adjustments for splits, sold for more than 15 times its offering price, before collapsing 28% this year, in part because of a recent FORBES article that questioned the company's long-term viability *(Feb. 23)*.

Number two on the list, Sigma Designs, which makes computer equipment, came public at $5.75 and recently was selling for $28.50, with a price/earnings ratio of 36.

Biggest IPO underwriters

Here are the top investment banker money raisers (based on their roles as the lead underwriters).

Rank	Underwriter	Money raised ($mil)
1	Merrill Lynch	$2,295
2	Goldman, Sachs	1,736
3	Drexel Burnham Lambert	1,616
4	Lazard Frères	1,607
5	First Boston	1,450
6	Allen & Co	1,203
7	PaineWebber	1,180
8	Morgan Stanley	1,095
9	Shearson Lehman	1,011
10	Salomon Brothers	835

The 28th best performing issue was Blinder International Enterprises. That's the holding company for the brokerage house of Blinder, Robinson, whose nickname around its hometown of Denver is "blind 'em and rob 'em." Blinder brought itself public at $1.50 a share last November and recently was selling for $2.88. This despite the fact that Chairman Meyer Blinder is appealing a Securities & Exchange Commission judgment that would ban him for at least two years from the securities industry because of fraud and other charges.

Not surprisingly, financial services companies were hot. Eleven stock brokerage houses went public this year. The biggest industry category included 113 savings banks and 24 commercial banks. As a group, the savings banks outperformed the S&P's by 11%. Eighty-eight of them were up over their offering price. Technology stocks were not in great favor: There were only 60 computer product and software-related companies. But Wall Street, which follows the dictum "when the ducks quack, feed 'em," brought a number of sales-via-television operations public amid glowing accounts of Home Shopping Network's supposed wave-of-the-future retailing concept.

So, amid a good number of solid companies, there was a great deal of speculative merchandise and even a fair amount of fraud. And once again the new issue market proved itself an unhealthy place for the average investor.

Among the worst-performing issues—ones that dropped like a stone shortly after going public—were three electronic retailers that obviously hoped the public would look upon them as another Crazy Eddie, one of the top performers of 1985. Moral: Be suspicious of stocks that salespeople tell you are another anything, lightning rarely strikes twice.

Of the 769 companies that went public in 1986 at $1 per share or more, 299, or 39%, outperformed the Standard & Poor's 500. This was hardly surprising: 1986 was a banner year for the whole stock market. However, there are signs that the new issue market has started to overheat, that it is becoming saturated.

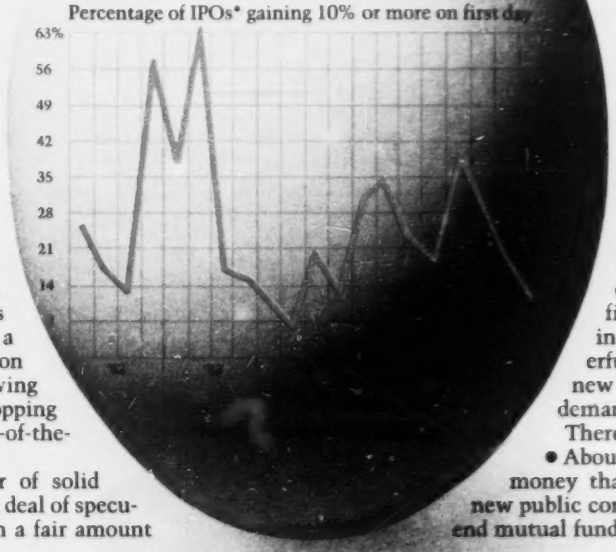
FORBES' fever meter, which measures the temperature of the new issue market, is based on the number of issues that went up 10% or more in their first day of trading. The meter shows a steady decline from the first to the final quarter of 1986. This indicates that even in a powerful bull market the supply of new issues is catching up with demand.

There are other worrisome signs:

- About $4 billion of new issue money that was raised didn't go to new public companies but into 26 closed-end mutual funds. We didn't count these in

Fever meter

The percentage of new issues up 10% or more in first-day trading is off sharply. Supply overcoming demand?



our performance calculations because these closed-ends are really just another form of mutual fund rather than genuine new stock offerings. Still, there has not been anything like this since 1929. In the years between 1929 and 1986 few new closed-end funds debuted.

• The penny stock market was boiling again in 1986 as 187 companies went public for $1 or less, raising $212 million from suckers who don't have the memory capacity of the FORBES database, which shows that the majority of penny stocks die in infancy. They don't just drop in value. They drop dead.

• Penny stocks are not the only

The 15 best performers of 1986

Below, the 15 best-performing new issues of 1986, and the 10 worst, based on actual performance through Jan. 30. Omitted here are penny stocks and issues of less than $5 million. Note Home Shopping Network—at press time it had declined to 30 and short-sellers were beaming.

Company/business	Offer price*	Recent price	Offer value (thou)	Offer date	—% gain— actual	—% gain— relative to S&P's 500	Underwriters
Home Shopping Network/TV shopping programs	$3.00	$38.00	$36,000	5/13/86	1,167%	967%	Merrill Lynch
Sigma Designs/computer equipment	5.75	28.50	5,750	5/19/86	396	311	Laidlaw Adams & Peck
Family Steak Houses/restaurants	3.33	15.25	5,000	4/14/86	358	286	Maxim Sec
Microsoft/computer software	21.00	73.13	58,695	3/13/86	248	188	Goldman, Sachs Alex Brown & Sons
Chips & Technologies/semiconductors	5.00	16.75	10,000	10/8/86	235	186	Shearson Lehman EF Hutton
Digitext/digital keyboards	4.25	12.75	5,100	2/27/86	200	141	Whale Sec
Golden Valley Microwave/food processing	14.00	36.00	22,400	9/16/86	157	115	Piper Jaffray Hopwood
Adobe Systems/computer software	11.00	34.00	5,500	8/13/86	151	122	Hambrecht & Quist
Smart Card Intl/credit cards	2.50	6.25	5,625	9/10/86	150	122	L'Argent Equities
Lincoln Savings Bank, Carnegie, PA/savings & loan	10.00	24.50	9,200	4/13/86	145	102	Self
ATN/advertising	3.00	7.25	6,000	6/18/86	142	112	FN Wolf
Chartwell Group/home furnishings	14.00	33.25	21,000	4/17/86	138	105	Advest
Pacific Southwest Airlines/airline	7.00	16.38	12,600	7/24/86	134	100	Bear, Stearns
Central Co-Operative Bank/savings & loan	7.50	16.50	9,567	10/17/86	120	90	Merrill Lynch
Roy E Weston/consulting	12.50	27.50	12,500	7/17/86	120	86	Drexel Burnham

The 10 worst performers of 1986

Company/business	Offer price*	Recent price	Offer value (thou)	Offer date	—% gain— actual	—% gain— relative to S&P's 500	Underwriters
Aquasciences Intl/water purification prods	$3.50	$0.63	$5,250	5/22/86	–82%	–85	MacPeq Ross
American Passage Mktg/mail order	8.50	2.13	8,500	5/8/86	–75	–79	Boettcher & Co Cable, Howse & Ragen
Telequest/telephone mfg	13.00	3.25	13,130	3/27/86	–75	–79	Salomon Brothers Hambrecht & Quist
First Family Group/electronics retailing	14.00	4.25	17,500	3/5/86	–70	–76	McDonald & Co
Good Guys/electronics retailing	14.00	4.75	17,500	2/6/86	–66	–74	Montgomery Sec Dean Witter Reynolds
Synercom Technology/computer software	15.00	5.25	30,000	3/7/86	–65	–72	Morgan Stanley Robertson Colman
Olivers Stores/apparel stores	6.00	2.13	9,300	2/11/86	–65	–73	Ladenburg Thalmann
Pay'n Save/drugstores	16.00	5.75	52,000	7/10/86	–64	–69	Drexel Burnham
Modular Technology/manufactured housing	7.25	3.00	11,565	5/29/86	–59	–63	Blunt Ellis & Loewi
Trans Leasing Intl/medical equip	8.38	3.50	10,894	4/4/86	–58	–66	Moseley Hallgarten

*Per common share; adjusted for splits.

Sources: FORBES, Institute for Econometric Research; IDD Information Services; Securities Data Co.; Interactive Data Corp.; Haas Securities.

place where manipulation of the markets appeared to be running rampant. There now seems to be almost as much garbage in stocks selling at $1 to $5 as in those under $1. One hundred sixty of these went public last year, raising about $595 million. Some show incredible short-term performance unsupported by fundamental values.

The new issues market hasn't completely lost all touch with reality yet. But when investors are willing to capitalize a new and probably unsound concept like the Home Shopping Network for $36 million common sense suggests that the markets are getting dangerous ■

The best—and worst—performances of the year

Investment bankers with at least five new issues brought to market in 1986 are ranked by the percentage of their IPOs that outperformed the S&P's 500. We included only issues of at least $5 million.

Rank	Underwriter	Total number of issues	—Average performance— actual	—Average performance— relative to S&P's 500	—% of issues with gains— actual	—% of issues with gains— relative to S&P's 500
1	Keefe, Bruyette & Woods	6	42%	24%	100%	83%
2	Piper Jaffray Hopwood	8	42	22	88	75
3	Robinson Humphrey*	10	12	–3	70	70
4	Dain Bosworth	8	12	–4	63	63
5	Morgan Keegan	5	48	29	100	60
6	Kidder, Peabody	22	29	13	68	59
7	Goldman, Sachs	19	41	23	79	58
8	Tucker, Anthony & RL Day	14	29	11	71	57
9	Morgan Stanley	20	18	3	75	55
10	Robertson Colman Stephens	11	21	3	73	55
11	PaineWebber	33	20	4	67	55
12	Alex Brown & Sons	38	32	13	82	50
13	EF Hutton	18	22	7	72	50
14	Salomon Brothers	18	13	–2	67	50
15	Hambrecht & Quist	12	27	10	67	50
16	Moseley Hallgarten	12	18	1	50	50
17	Merrill Lynch	56	36	17	75	46
18	Prescott Ball & Turben	5	8	–6	80	40
19	Interstate Securities	5	8	–9	60	40
20	Lazard Frères	5	24	9	60	40
21	Wheat First Securities	5	3	–10	40	40
22	Montgomery Securities	8	–3	–18	50	38
23	First Boston	16	7	–8	63	31
24	LF Rothschild	13	6	–9	38	31
25	Advest	13	4	–15	31	31
26	McDonald & Co	7	–9	–22	57	29
27	Drexel Burnham Lambert	49	2	–13	37	29
28	Shearson Lehman	29	18	2	66	28
29	Bear, Stearns	22	7	–9	50	27
30	Smith Barney	23	4	–11	61	26
31	Ladenburg Thalman & Co	8	–8	–21	38	25
32	Butcher & Singer	5	1	–13	60	20
33	Boettcher & Co	5	–10	–27	60	20
34	Allen & Co	5	9	–8	60	20
35	Donaldson Lufkin & Jenrette	20	1	–13	50	20
36	William Blair	7	1	–14	57	14
37	Dean Witter Reynolds	14	–7	–21	29	7
38	Prudential-Bache	9	–15	–27	22	0

*Division of Shearson Lehman

Personal Affairs

Edited by William G. Flanagan

If a valued employee or relative gets into trouble with drugs or alcohol, you want the best treatment money can buy, right? But the best is not always the most expensive.

Sobering facts on rehab

Hazelden, rehab facility in Center City, Minn.
More emphasis on therapy, less on expensive amenities.

Donna Terek

By Richard Phalon

TREATING ALCOHOLISM and drug abuse these days has become a big business—some of it very profitable—leaving both individuals and corporations with soul-searching choices to make about where to send those in need of help.

Some major corporate buyers of medical care are getting mighty skeptical about footing bills that can run to $1,000 a day or more for the standard 28-day course of inpatient treatment. Westinghouse Electric, for example, just completed a pilot program that will result in fewer workers being referred for inpatient care. Many more will be treated on a low-cost, outpatient basis while working. "We're talking about people in the early stages of addiction who have a lot of motivation," says Dr. E. Carroll Curtis, Westinghouse medical director.

Adds Dr. Ruth McLean, the New York Telephone Co. medical director: "There is a lot of money being made in drug and alcohol treatment. Unless you are dealing with major medical or psychiatric problems, I see nothing whatever to justify anything like $6,000 a week. The price of a program is no indicator of quality."

Finding the balance between price and quality of care is no easy task. The choice often has to be made in a crisis: the threat of a job loss, a brush with the law, the emotional turmoil of family intervention. The instinct is to reach for a "brand name" rehabilitation service that may be long on amenities but run-of-the-mill on recovery rates.

Any such choice should be talked over with the experts and, ideally, scouted in person. Start with the list of rehabs gathered by FORBES *(see box, p. 142)*. It is based on recommendations made by addiction counselors, directors of employment assistance programs and medical directors.

What do professional counselors look for? Here are the major items on their checklists:

- What is the program like? Check whether the institution has been approved by the Joint Commission on Accreditation of Hospitals. Make sure the treatment includes family participation and extended outpatient aftercare. Most programs include one-on-one counseling, group therapy sessions, lectures on substance abuse and early involvement in self-help groups like Alcoholics Anonymous. Counselors like Joseph Howley, head of the New York Transit Authority's Employee Assistance Program, tend to worry about "country clubs that don't engage an individual's maximum participation."
- How good is the staff? What's the ratio of professional counselors and psychologists to total staff? What is the quality of the medical backup? Are there enough professionals around to provide truly individual attention? Are at least some of them recovering addicts or alcoholics? What is the staff's turnover rate? Anything over 20% to 25% a year may signal trouble.
- Is specialized care called for? If there are significant medical or psychiatric problems, you will probably do better shopping for hospital-connected rather than freestanding rehabs. Some rehabs specialize. Little Hill-Alina Lodge near Blairstown, N.J., for example, concentrates on a spartan three-month program for "the reluctant to recover."
- What is the record? Recovery rates tend to be exaggerated. "When they say 80%, what do they mean?" asks James Wrich, a Chicago-based consultant who headed UAL's employee-assistance program for six years. "If they mean eight out of every ten people who came through the door are abstinent a year later, that

Counselors' choice

These treatment centers were recommended by addiction counselors and directors of employee assistance programs at major corporations. The duration of treatment, and hence costs, can vary with the severity of the addiction. Note that some centers do not include the cost of detoxification and aftercare in the basic rate.

Treatment centers	Total beds	Typical stay (days)	Typical cost	Aftercare included in cost?	Separate women's program?	Out-patient program?	Adolescent program?	When opened	Comments
The A.R.T.S. **Passaic, NJ** **201-472-0364**	24	28	$6,860[1]	no	no	yes	no	1980	Patients exposed to real-world, urban environment while in treatment
Ashley **Havre de Grace, Md** **301-273-6600**	60	30	7,500	yes	yes	yes[3]	no	1983	Special program for relapsed addicts
Betty Ford Center at Eisenhower **Rancho Mirage, Calif** **800-392-7540 (Calif)** **800-854-9211 (out of state)**	80	28	5,500[1]	yes	no	yes	no	1982	Trying to play down celebrity image
Chit Chat Treatment Centers **Wernersville, Pa** **215-678-2332**	181	28	5,460[1]	yes	no	yes	yes[4]	1959	Emphasizes therapeutic approach, with patients helping each other recover
Edgehill Newport **Newport, RI** **800-252-6466 (NY, NJ, New Eng)** **401-849-5700 (outside NE)**	160	30	7,200	no	yes	yes	no	1980	Concentrates on alcoholism but also treats multiple abuse
Gateway Rehabilitation Center **Aliquippa, Pa** **800-472-1177 (Pa)** **800-472-4488 (out of state)**	90+	28	4,900[1]	no	yes	yes	no	1972	Teaches more effective coping techniques
Gosnold on Cape Cod **Falmouth, Mass** **617-540-6550**	70	14	2,310[1]	no	yes	yes	yes	1982	Special program for hearing-impaired addicts; also 3-month inpatient program
Hazelden **Center City, Minn** **612-257-4010, x3307 (Minn)** **800-262-5010 (out of state)**	400+	30	4,300	no	yes	yes	yes	1949	Pioneer of "Minnesota" model, involving individual, group and family therapy
Koala Centers **Nashville, Tenn** **615-665-1144**	700+	28	8,000	yes	yes	yes	yes	1970	Network of 34 centers in 10 states, mostly east of Mississippi
Little Hill-Alina Lodge **Blairstown, NJ** **201-362-6114**	60	4-5 mos	75/day[1]	no	yes[2]	no	no	1959	Primarily treats relapsed alcoholics, minimum stay 3 months; bans smoking, reading, phone calls
Parkside Medical Services **Park Ridge, Ill** **312-698-4730**	1,800	28	6,000–8,000	yes	yes	yes	yes	1959	Network of over 50 centers in 18 states nationwide
Alcohol & Drug Treatment Center at Stanford Med Center **Palo Alto, Calif** **415-723-6682**	14	13	5,400	no	no	yes	no	1977(o) 1986(i)	Short inpatient program, extensive outpatient care running as long as 1 year

[1]Excludes detoxification. [2]Men and women follow the same program but are kept separate. [3]For participants in inpatient program only. [4]Outpatient only. (o) = outpatient. (i) = inpatient.

would be terrific," continues Wrich. "If all they mean is that eight out of every ten people who came through the door finished the program, that's not saying too much." True success rates are hard to calibrate. AA offers a benchmark: Those who have been sober in the fellowship for up to one year stand a 40% chance of staying sober for another year.

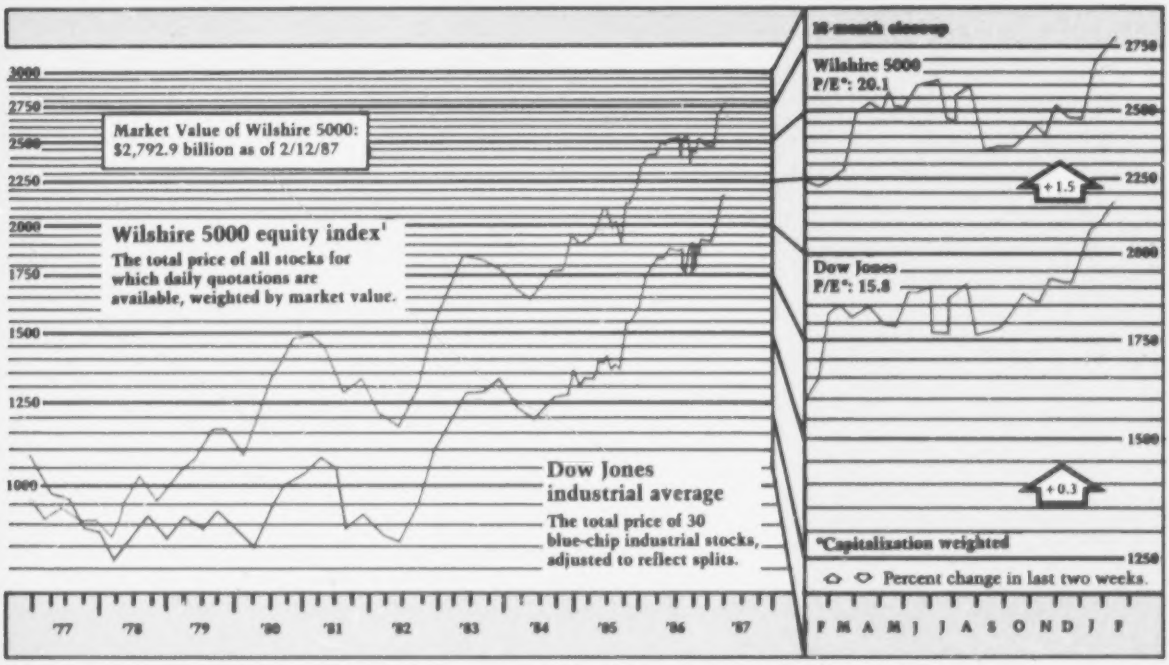
● Outpatient or inpatient? Rising costs are pushing treatment centers to provide more outpatient care. The so-called four-four-four programs (four hours a night, four days a week for four weeks) seem to help with early-stage addiction, but many doctors urge caution. "I'm of the opinion that anyone who can't make it with a self-help group like AA needs to get away where they can concentrate on the problem and themselves," says Dr. McLean of New York Telephone.

● What kind of environment? There is often an age gap between primary alcoholics and multiple substance abusers, and sometimes a social one, as well. Does that mean executive types ought not to be mixed with other ranks? "It's an ongoing battle," says Dr. David Canavan, director of the New Jersey Medical Society's impaired-physician program. "Doctors think they should go to megabucks places with other doctors. That's nonsense. Part of the treatment is to see themselves as others see them, and you can't do that in a country club environment."

Moral: As drug and alcohol abuse mounts, employers are more aware of the problems, but they are less willing or able to spend a fortune coddling their problem workers.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



What price the market? The market's P/E, most would agree, is a good gauge of how expensive stocks are. But there is little agreement on how to make the calculation. Method I: Sum the earnings of the 30 Dow stocks and divide this into the sum of their prices. This tells you the Dow's P/E (on trailing 12 months' earnings) is 19.4. Method II: Since it is meaningless to speak of the P/E of a company that is losing money, eliminate Allied-Signal, Bethlehem Steel, Navistar and USX from the calculation. Hence, the P/E is really 17.0. Method III: Compute a P/E separately for each company with positive earnings, then average these 26 P/Es. Result: 55.3.

It gets more complicated. Wilshire Associates uses a modification of all three methods, with some but not all losers excluded and with companies weighted in the average according to their sizes. Wilshire says the P/E is 15.8. Is the market overpriced? We don't know, but we do note that by almost any measure P/Es are historically high.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	3.9	3.4	4.6	3.6	7.5	4.2
in last 52 weeks	24.1	29.8	31.6	25.7	28.6	17.6

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	3.8	4.8	7.6	3.0	5.2	4.5	0.9	8.1	7.9	3.3	3.2	4.9
in last 52 weeks	27.3	42.1	59.2	28.4	21.5	26.0	20.4	43.3	55.9	29.0	29.2	26.7

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

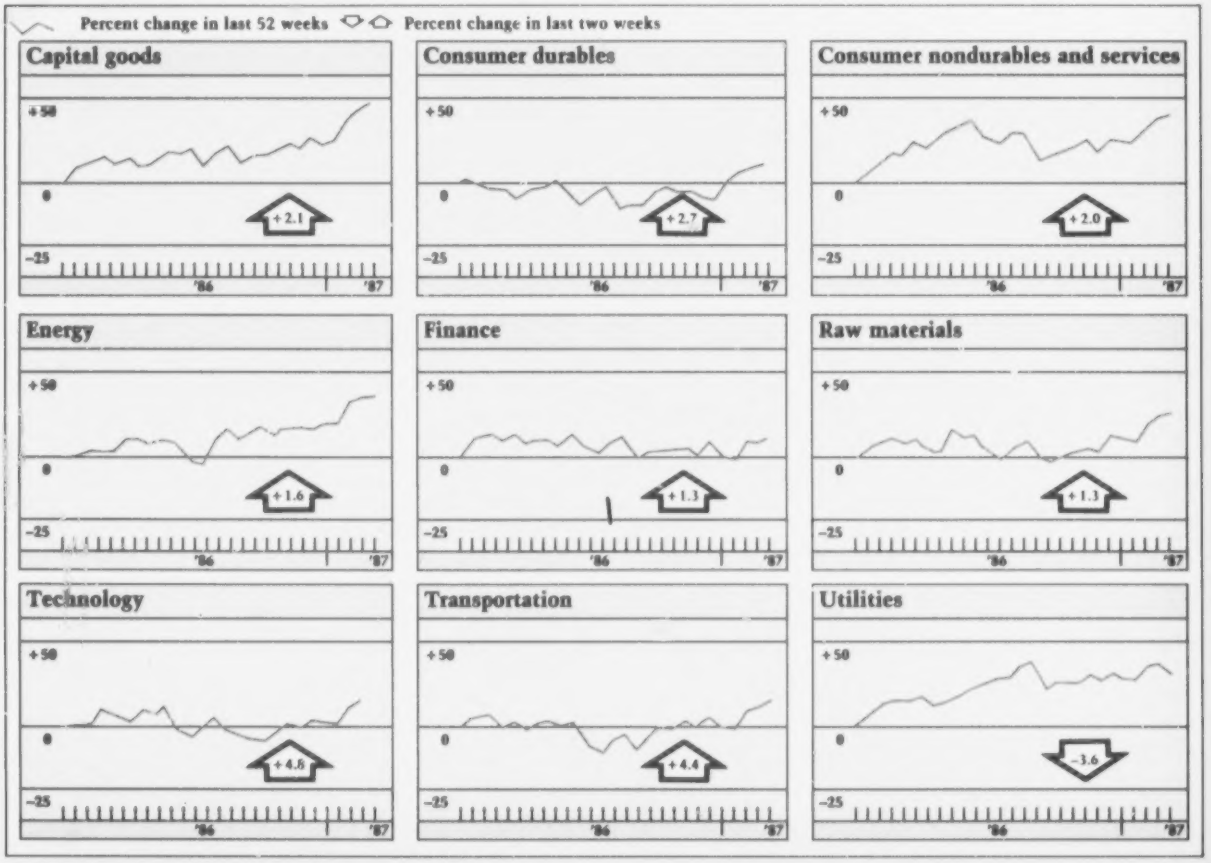
Note: All data for periods ending 2/12/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gus French

Where The Action Is

Technology gets some respect. Technology issues, which have greatly lagged the overall market during the last 52 weeks, were the top performers over the most recent two-week period. The star was Seagate Technology, which rose 30.4% during the last ten trading days. Seagate, which manufactures hard disks for microcomputers, reported a significant jump in December-quarter earnings (76 cents per share, vs. 10 cents in 1985). The second-best technology stock was Intel, up 26%.

Over the last four weeks, six of the nine Wilshire sectors outperformed the overall market. In addition to technology, the hottest sectors were consumer durables and consumer nondurables. The three laggards: utilities, finance and energy.



What The Analysts Think

Hoped-for earnings. Corporate earnings are about to rise sharply, say Wall Street's security analysts. The Forbes Sales 500 companies are selling at only 11.5 times what these companies are expected to earn in 1988. Measured against the bird in hand—earnings over the past 12 months—the Sales 500 multiple is a much scarier 18.6.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.57	18.6
1987 estimates	3.65	13.1
1988 estimates	4.76	11.5

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Raw materials	$2.35	15.5	0.34%	-0.21%
2	Consumer nondurables	2.42	16.1	0.32	0.02
3	Energy	2.36	16.3	0.09	-0.00
4	Transportation	2.52	13.3	-0.03	-0.85
5	Utilities	2.99	10.4	-0.21	-0.48
6	Capital goods	2.54	16.6	-0.26	-1.72
7	Finance	3.70	9.3	-0.48	-0.48
8	Consumer durables	3.53	13.2	-0.53	-0.53
9	Technology	2.79	15.3	-1.25	-2.59

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 2/12/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

MARCH 23, 1987

THREE DOLLARS FIFTY CENTS

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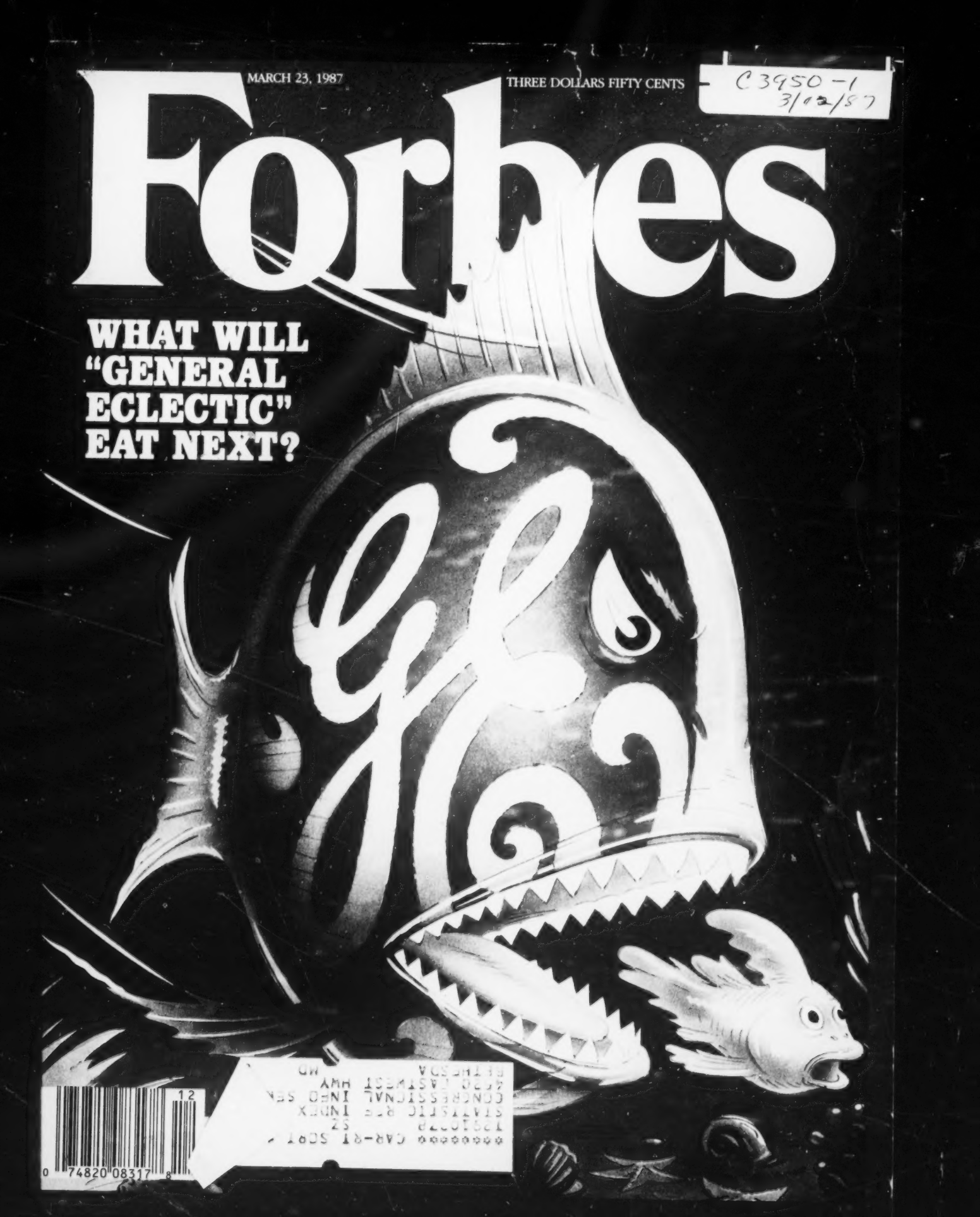
Forbes

WHAT WILL "GENERAL ECLECTIC" EAT NEXT?



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March 23, 1987 Volume 139 Number 6 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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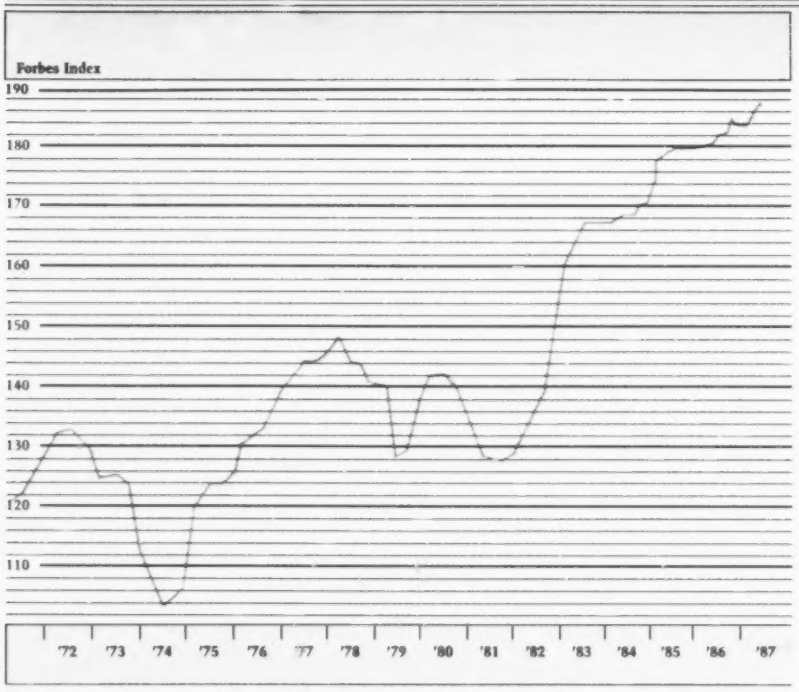
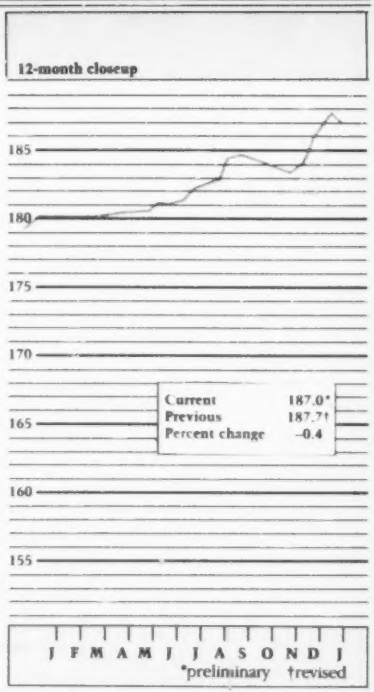
The Forbes Index





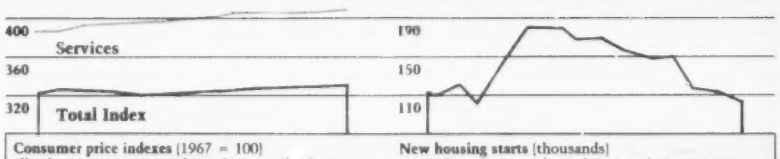
Cheaper money isn't helping. Despite mortgage rates at the lowest level of the decade, new housing starts dropped 7.8% from December to January. Also, following a robust December, retail sales fell 5.8%, to $119.3 billion, in January. A big downswing in auto sales was to blame here. These two components helped bring down The Forbes Index by 0.4%.

Personal income rose 0.5% in January, to $2,127 billion, but failed to keep pace with inflation. The Consumer Price Index increased 0.6% (before seasonal adjustment) in January, the sharpest monthly gain in three years. A weaker dollar has helped industrial production, which went up 0.4% in January, but it has reduced consumers' purchasing power by making imports more expensive.

The Forbes Index Components

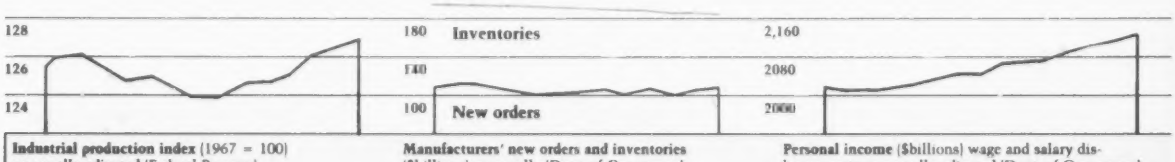
The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)

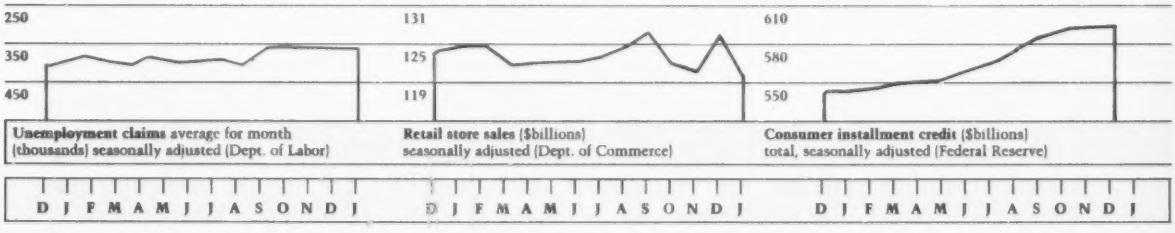
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)

Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



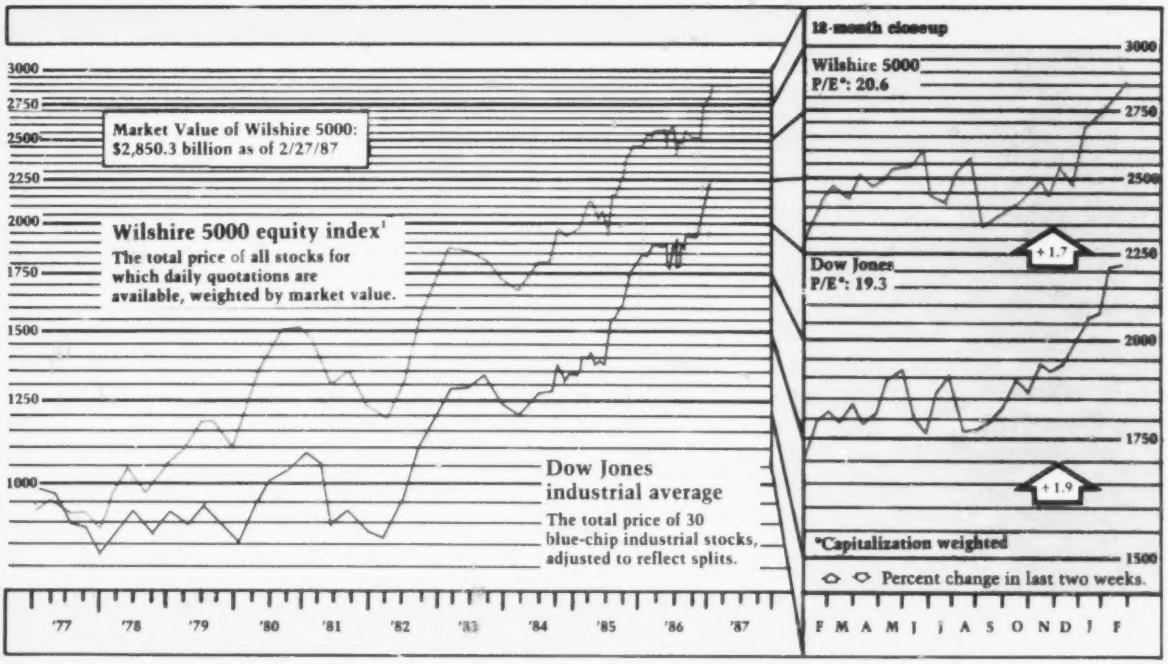
Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)

Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



The last leg of the bull market? The upward trek of stock prices for 31 months has brought the Wilshire index of nearly 6,000 securities to a multiple of 20.6 times latest 12-month earnings. With small investors moving into the market, the secondary stocks that the institutions passed over are posting gains. After months of chasing the Dow and the NYSE, the Amex and Nasdaq finished the recent two-week period at record highs.

The other major indicators faltered somewhat in the final trading days, but over the two-week period the 30 Dow industrials rose 1.9%, the NYSE 1.5%, the Amex 1.7% and the Nasdaq 3%. The investor yardsticks, below, show a sharp increase in speculative activity. Over the last four weeks investors threw their money at smaller, more volatile stocks. High-growth stocks outperformed low-growth stocks by a nearly 4-to-1 margin, for example, and high-volatility shares gained nearly three times as much as low-volatility shares.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	4.5	3.5	3.1	3.8	7.1	8.4
in last 52 weeks	22.7	19.3	30.1	23.9	25.0	18.2

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	4.9	9.6	12.6	4.3	8.5	6.3	1.3	11.8	13.1	3.4	4.8	9.6
in last 52 weeks	25.6	42.8	58.3	27.1	22.1	22.8	16.4	43.7	56.6	24.9	26.9	29.7

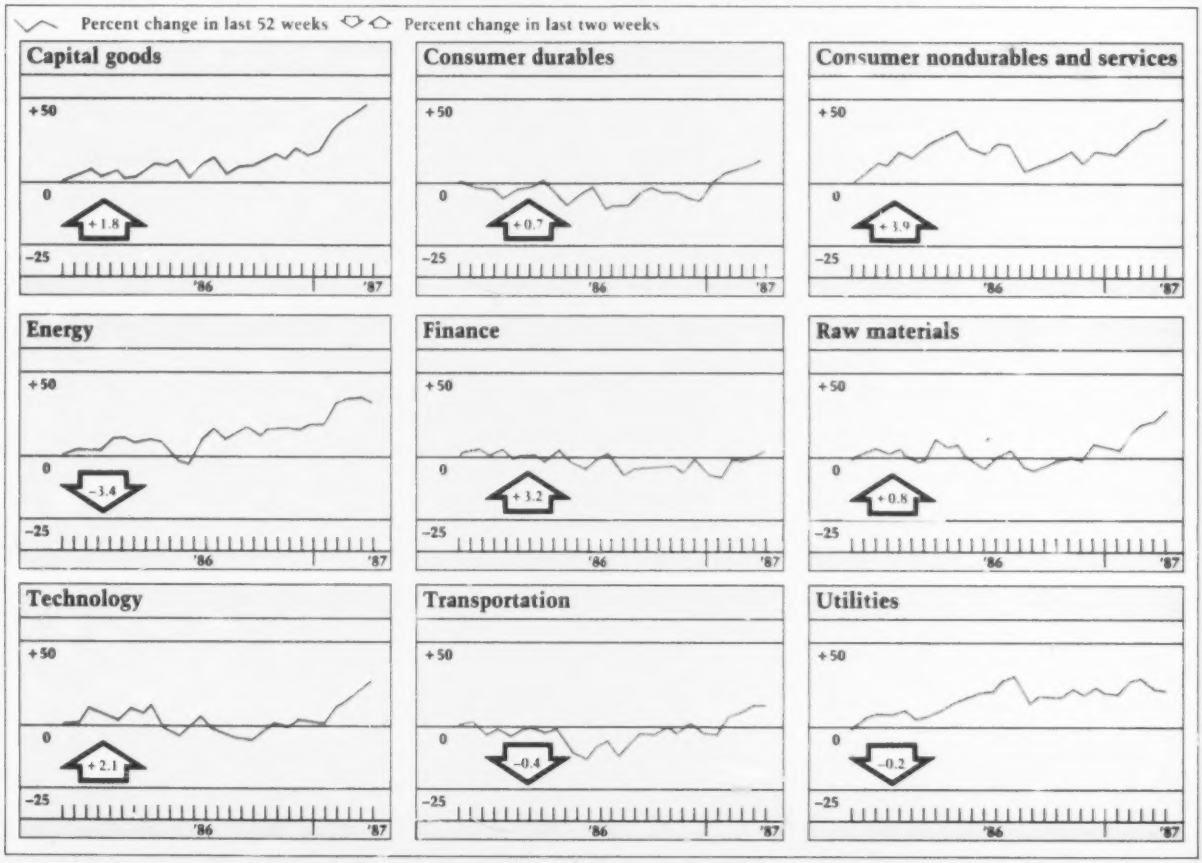
[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 2/27/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gus French

Where The Action Is

Financial problems. For the last two weeks the finance sector posted the second-best gain, a 3.2% increase. Finance stocks have doubled since mid-July 1984. Only consumer nondurables, with a gain of nearly 118%, fared better over the past 31 months. A closer look, however, reveals that the finance group has been coasting this year on its earlier performance. Since the start of the year finance shares appreciated 13.2%, vs. 15.9% for the Wilshire index. Only two sectors, utilities and energy, show smaller 1987 gains. Finance stocks also have the worst 52-week record: The group is only 7.8% higher than it was one year ago. Note, too, that finance shares sell at a relatively low multiple of 9.8 times estimated 1987 earnings. Even utility stocks are higher on that score.



What The Analysts Think

Few bargains here. The Forbes Sales 500 are priced at 13.5 times estimated 1987 earnings. Three of the subgroups—finance, utilities and consumer durables—are cheaper. But at the expensive end of the spectrum, consumer nondurables and capital goods have estimated 1987 P/Es of 17.1. That doesn't leave room for unpleasant surprises.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.59	18.8
1987 estimates	3.60	13.5
1988 estimates	4.41	11.6

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Consumer nondurables	$2.42	17.1	0.08%	0.40%
2	Raw materials	2.35	16.0	-0.28	0.04
3	Utilities	2.95	10.1	-0.30	-0.51
4	Consumer durables	3.51	13.4	-0.41	-0.94
5	Finance	3.69	9.8	-0.53	-1.01
6	Capital goods	2.52	17.1	-0.91	-1.17
7	Technology	2.76	16.0	-1.12	-2.36
8	Energy	2.34	16.3	-1.23	-1.14
9	Transportation	2.49	13.7	-1.40	-1.43

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 2/27/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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Forbes

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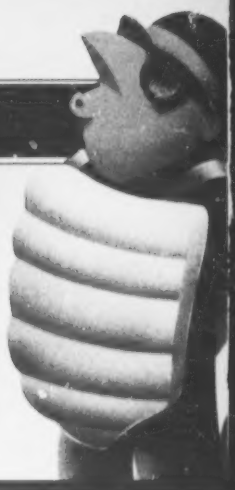

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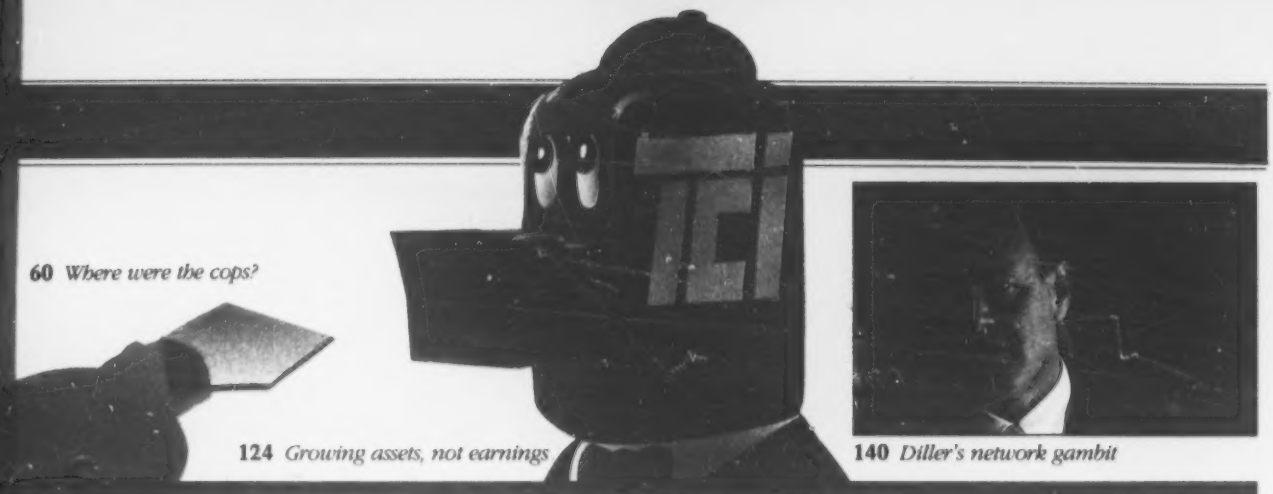

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April 6, 1987 Volume 139 Number 7 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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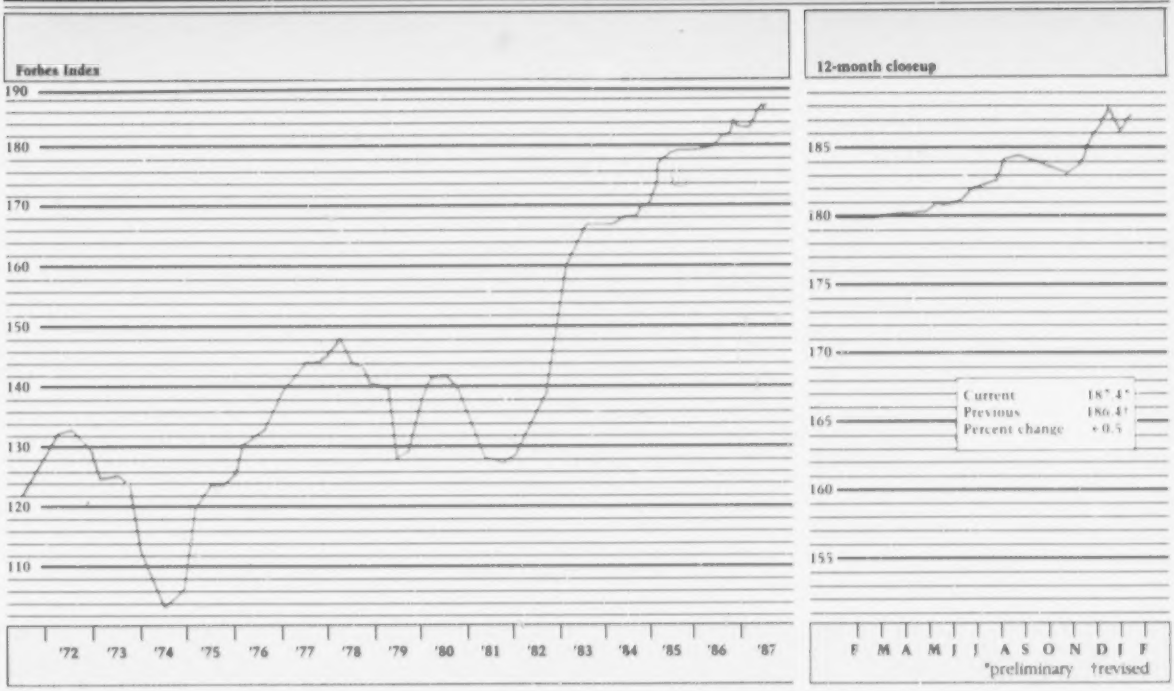
The Forbes Index



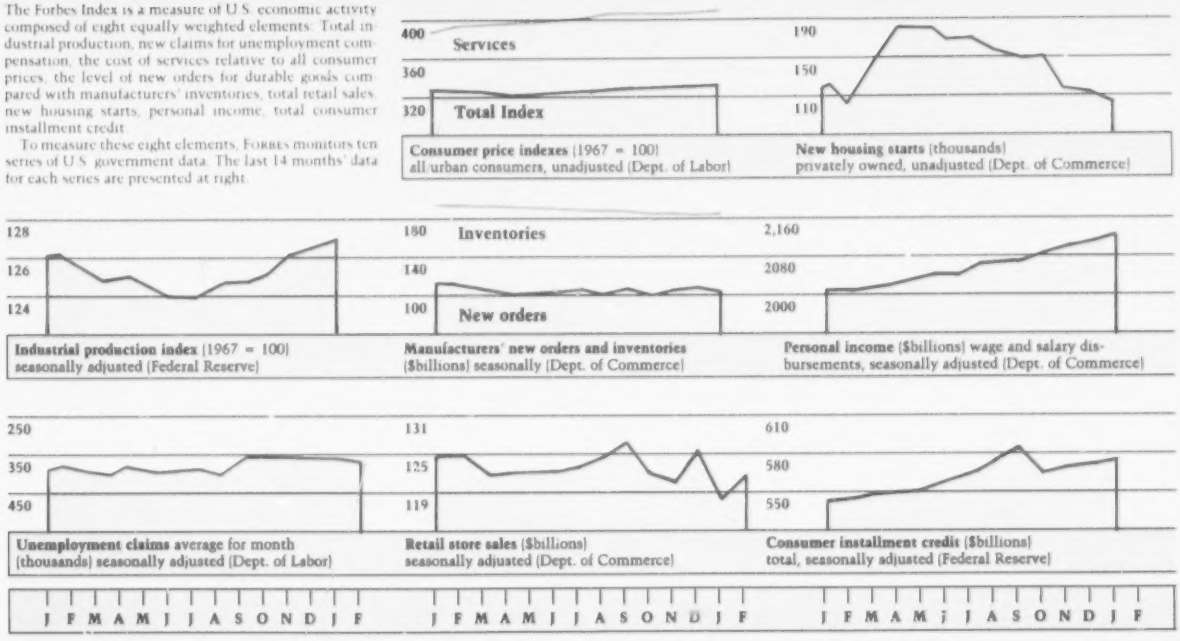
Return to normalcy. After falling 0.9% in January, the Forbes Index rebounded 0.5% during the latest reporting period. The slump in auto sales, following the rush in December to beat tax law changes, apparently is no longer distorting the numbers. Retail sales bounced back 4.1% in February from the depressed levels of January. Also boosting the Index was consumer installment credit, which increased 0.1% in January.

The outlook for manufacturing remains uncertain. The ratio of manufacturers' new orders for durable goods (three months to January) to inventories (January) fell 0.8%, after posting gains the previous two months. New unemployment claims rose by 1.5% in February, the third consecutive increase.

The Forbes Index Components

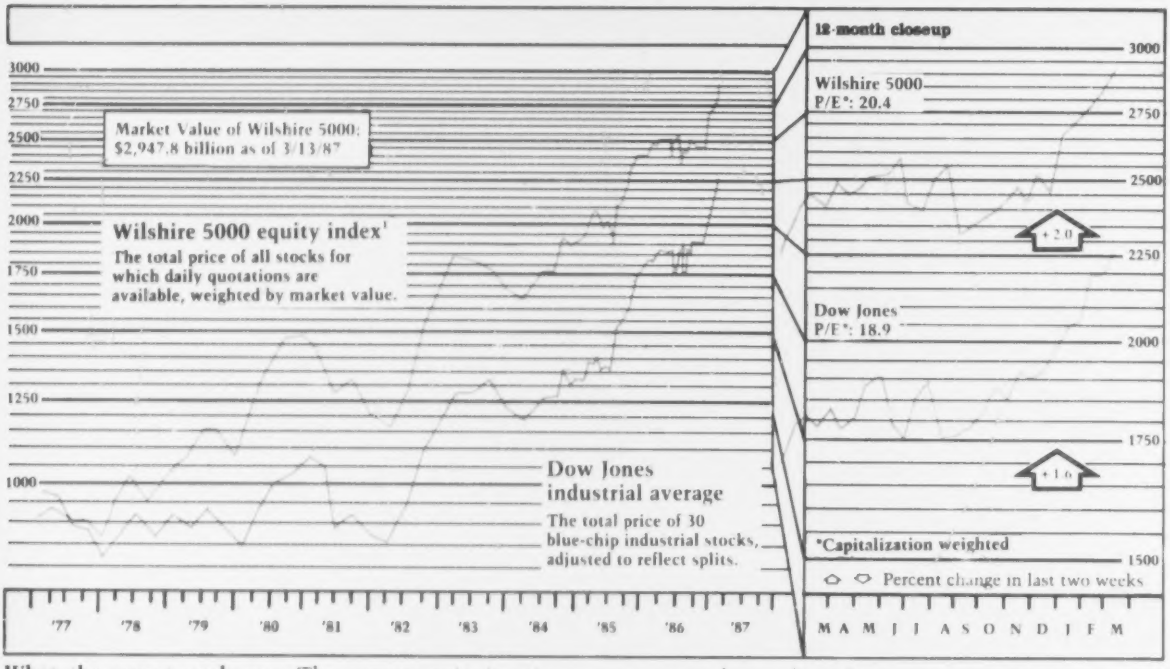
The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



What the report cards say. The average price/earnings ratio of Wilshire index stocks went from 17.8 on Jan. 2 to 20.6 by Feb. 27. That 15.7% increase nearly matches the gain in the index itself, since the figure for trailing 12-month earnings didn't change much. Of course, few companies file earnings reports early in a new year. (The exceptions are October and November fiscal-year companies, plus quick-reporting December companies, especially banks.) But among the several hundred companies with new quarterly numbers there were some large gains, such as Tandem Computers' 107% gain over the fourth quarter of 1985, Marion Laboratories' 65% gain and Ralston Purina's 45%.

In the first half of March the Wilshire gained 2%, while its P/E fell 1%, to 20.4. With the Wilshire closing on Mar. 13 within 0.4% of the record high it hit a day earlier, stocks are not cheap. But profits may be catching up with Wall Street's expectations.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	3.7	3.5	3.4	3.6	5.1	4.7
in last 52 weeks	20.5	16.9	26.0	21.4	24.1	16.2

Stock performance based on six key investor yardsticks

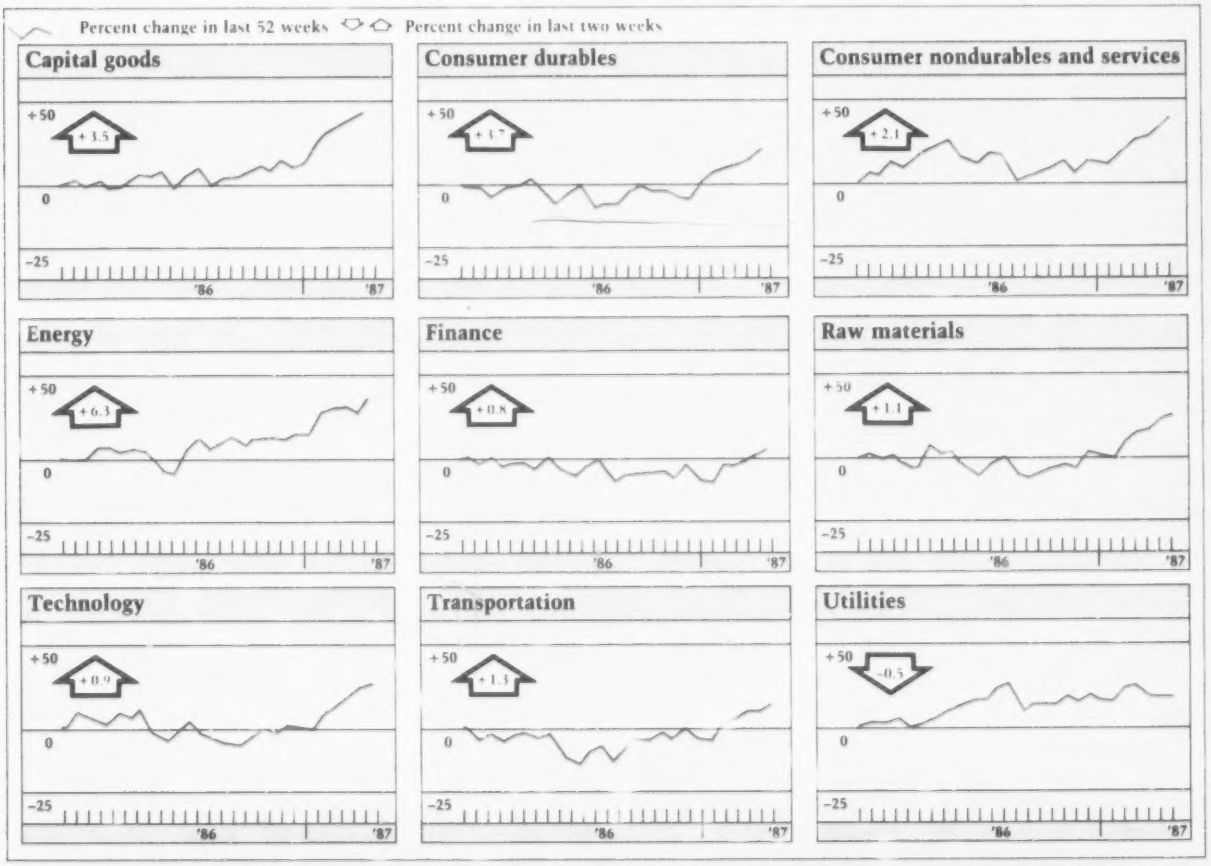
Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	3.2	7.1	8.2	4.4	5.0	5.4	1.1	7.8	8.7	2.3	3.7	8.1
in last 52 weeks	22.4	43.1	57.8	26.5	21.2	20.1	14.0	42.3	59.2	22.0	23.8	25.5

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations; low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 3/13/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Utilities run out of steam. Since the start of the year utilities are up only 2.1% (vs. 18.2% for the Wilshire index). Individual investors, the principal owners of utility stocks, have been distracted by mutual funds and better growth opportunities elsewhere in the market. The perception that interest rates may be near a bottom also has not helped these high-yield securities. In addition, with fuel costs under control and inflation at a low level, state regulators have been tough on rate increases. Cogeneration, more efficient manufacturing techniques and a decline in heavy industry have limited earnings growth at some utilities. And the Financial Accounting Standards Board has ruled that power companies with abandoned unfinished plants must take larger writeoffs.



What The Analysts Think

The market expects oil-price firmness. Analysts believe that OPEC, at least for now, will be able to hold the price of oil near $18 per barrel. In the last two weeks Wall Street's seers raised their 1987 earnings forecasts for the energy sector by 3.1%. That still leaves energy stocks selling at a rather hefty 17 times estimated earnings.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.59	19.0
1987 estimates	3.57	13.8
1988 estimates	4.40	11.7

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Energy	$2.40	17.0	3.07%	1.69%
2	Consumer durables	3.53	13.8	0.59	0.18
3	Raw materials	2.39	16.2	0.33	0.04
4	Finance	3.64	10.0	–0.20	–0.72
5	Technology	2.72	16.2	–0.25	–1.37
6	Transportation	2.48	13.9	–0.27	–1.65
7	Consumer nondurables	2.41	17.4	–0.35	–0.26
8	Utilities	2.88	10.5	–0.48	–0.78
9	Capital goods	2.48	17.6	–0.94	–1.82

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 3/13/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Want to trade something that will move with what's happening on the evening news? Take a look at platinum.

MORE PRECIOUS THAN GOLD

By Stanley W. Angrist

Though my readers are perhaps more interested in the precious metals than I am, I do make an effort to follow what they are doing. Right now the only one that looks even mildly interesting to me is platinum. The metal is usually difficult to trade, and in recent months it has become even more difficult, with periodic wild swings in price.

One of the factors that make platinum so problematic to trade is that there are only three countries that produce significant amounts of the metal—South Africa, the Soviet Union and Canada. Historically, South Africa increases its gold output in order to maintain its necessary level of foreign exchange rather than dump platinum supplies onto a much thinner market. The Soviets are also rather careful marketers of platinum and are very sensitive to how much metal the market can handle without suffering significant slippage.

Over the past couple of years platinum production and recycling have not been sufficient to meet the growing demand. The deficit was 100,000 ounces in 1985 and is estimated to have been at least 60,000 ounces in 1986. The 1987 decline in stocks probably will be significantly higher than that, thus steadily eating into available platinum supplies of about 1.7 million ounces.

Automobile catalysts account for 31% of platinum consumption, followed by jewelry demand, which reached 29% in 1985. Chemical, petrochemical, electrical and various other uses account for 31% of consumption, while 9% is being absorbed by investors—platinum bullion coins are now being minted in several countries.

Aside from the fundamentals of supply and demand as outlined above, platinum is subject to exogenous factors that have nothing to do with the fundamentals of the metal. World events of significant proportions could cause platinum to move in price more than any of the endogenous factors. For example, if racial unrest were to flare to new heights in South Africa, interrupting the mining of the metal, prices probably would explode to the upside again, as they did in the summer of 1986. Or if the House of Saud in Saudi Arabia were to collapse or be toppled in a coup, which in turn could threaten the supply of Saudi crude, then precious metals prices, including platinum, probably would go through the roof. Any of these events would have a positive effect on platinum prices. (Remember, however, these are what-if situations, not forecasts.)

Given the endogenous and exogenous factors detailed here, how should one go about trading platinum? I think the safest way would be by way of a platinum/gold spread. I suggest the purchase of two October platinum contracts (50 ounces each) and the sale of one October gold contract (100 ounces), with platinum at a premium of less than $125 per ounce. The margin is about $2,500, while the round-turn commission at a discount broker should be no more than $40. I would look for a $100-per-ounce profit ($10,000 per spread), and I would risk no more than $25 per ounce ($2,500 per spread). ■

Stanley W. Angrist is a commodity speculator, consultant and longtime observer of the commodity markets.

All that glitters . . .

Platinum is produced in only three countries, essentially, but it is used the world over. For the last two years demand has exceeded supply. This creates a bullish environment for speculators in the metal.

	1982	1983	1984	1985	1986E
	(thousands of ounces)				
Supply					
South Africa	1,960	2,070	2,280	2,320	2,350
Canada	120	80	150	150	145
Others	30	40	40	40	35
USSR (sales)	380	290	250	230	280
Total	2,490	2,480	2,720	2,740	2,810
Demand by region					
Western Europe	330	330	410	400	460
Japan	1,050	950	1,140	1,230	1,020
North America	710	720	910	1,010	1,150
Rest of Western World	230	180	170	170	190
Western sales to communist bloc/China	30	20	30	30	50
Total	2,350	2,200	2,660	2,840	2,870
Change in stocks	140	280	60	−100	−60

E. Estimate. *Source: Johnson Matthey's* Platinum 1986 Interim Review.

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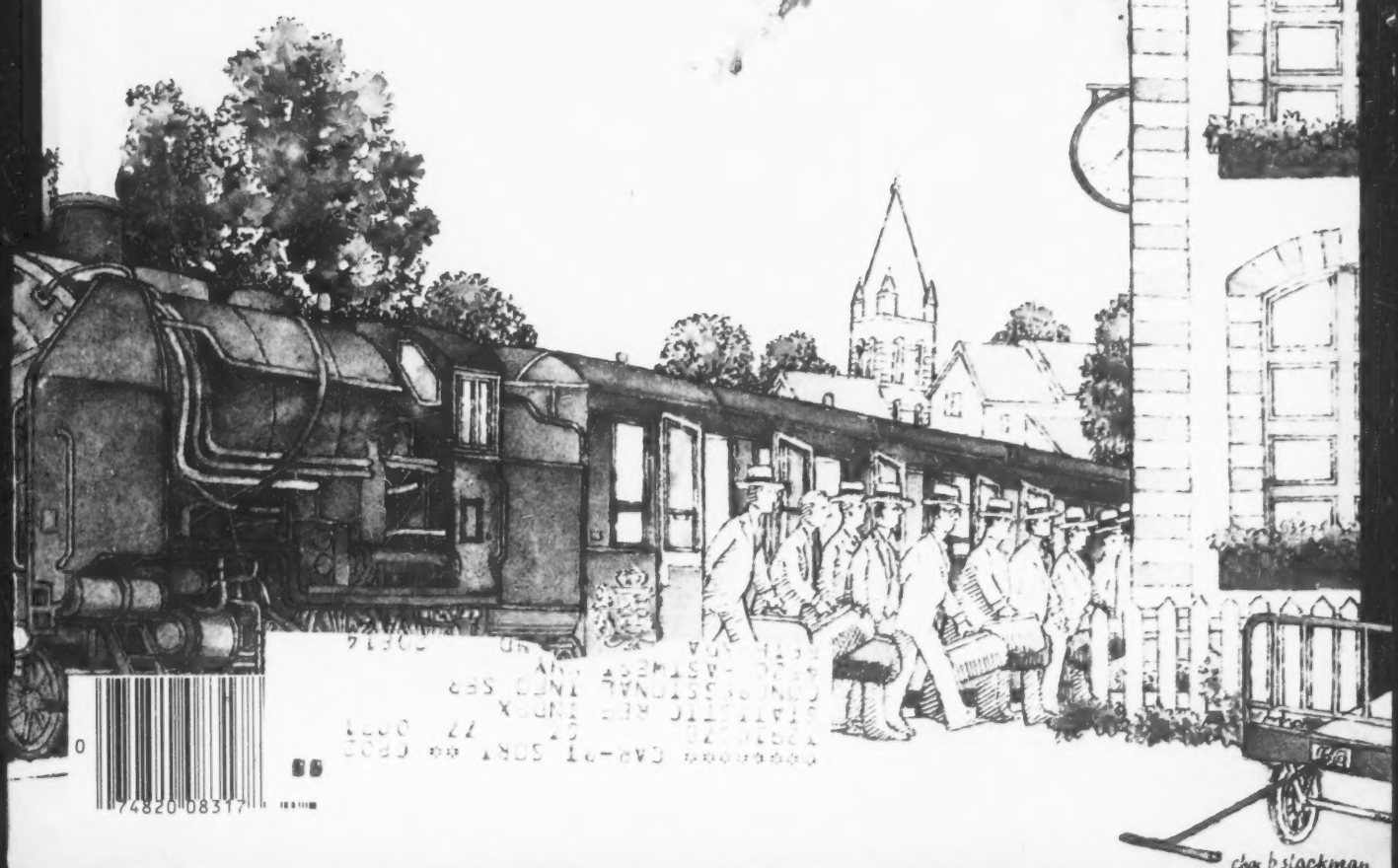
THE SAGA OF BROKER MEYER BLINDER

APRIL 20, 1987 THREE DOLLARS FIFTY CENTS

Forbes

CAN'T GET A SWISS BANK ACCOUNT?

TRY LUXEMBOURG



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April 20, 1987 Volume 139 Number 8 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1987 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.
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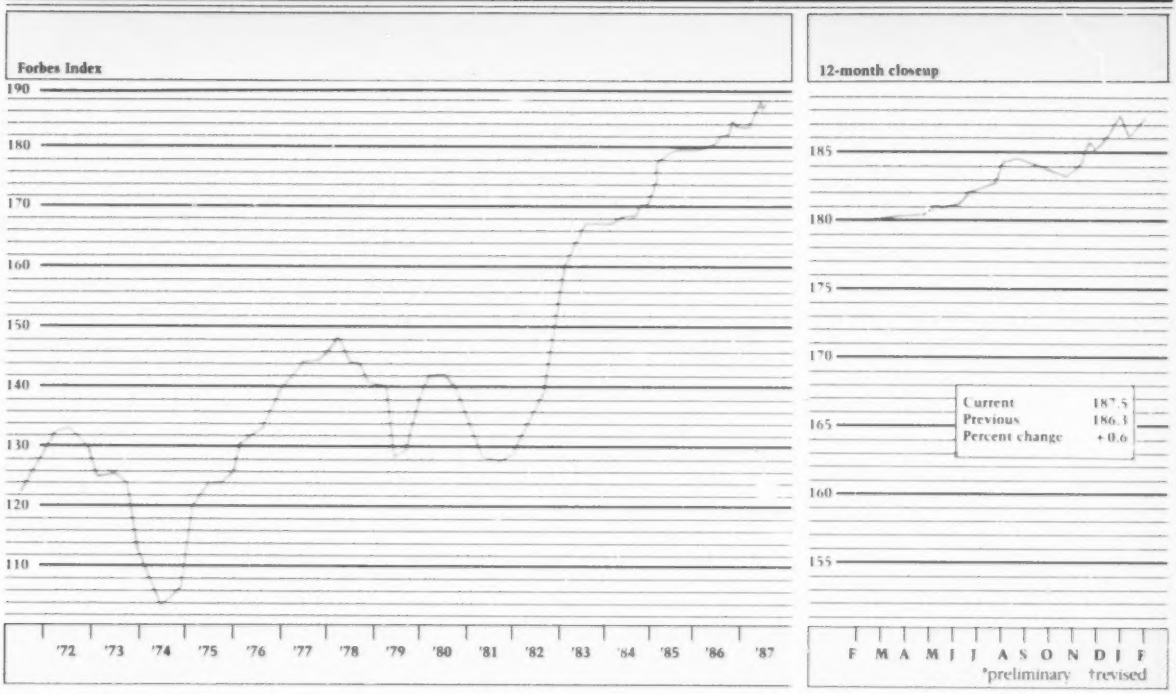
The Forbes Index



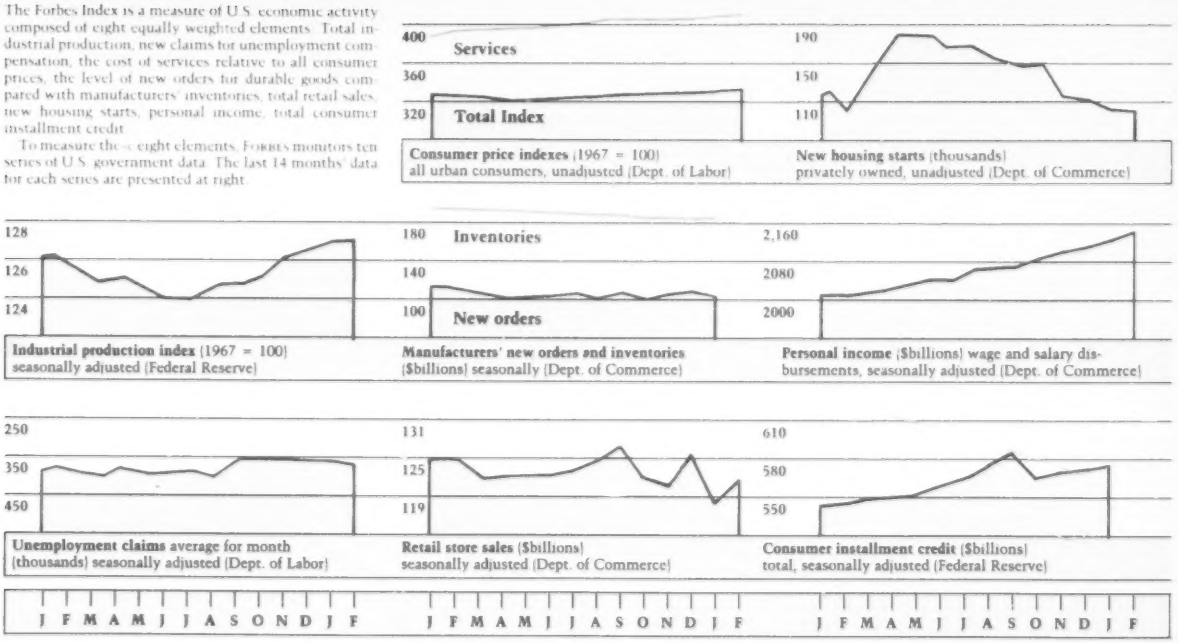
The color of money. Personal income ratcheted up 0.8% in February, to $2.1 trillion, the sharpest monthly gain since November 1985. Industrial production, which rose in each of the last four months, increased another 0.4% in February—a gain that was led by increased auto production. Personal income and industrial production also helped boost the Index 0.6% during the last two weeks.

Because the economy is service-dominated, one of the components of the Index is the ratio of the cost of services to the total Consumer Price Index. That ratio fell 0.1% in February, but not from any propitious decline in labor costs in the service sector. Rather, the drop was largely because of a pickup in the cost of commodities, such as fruits and vegetables and fuel oil.

The Forbes Index Components

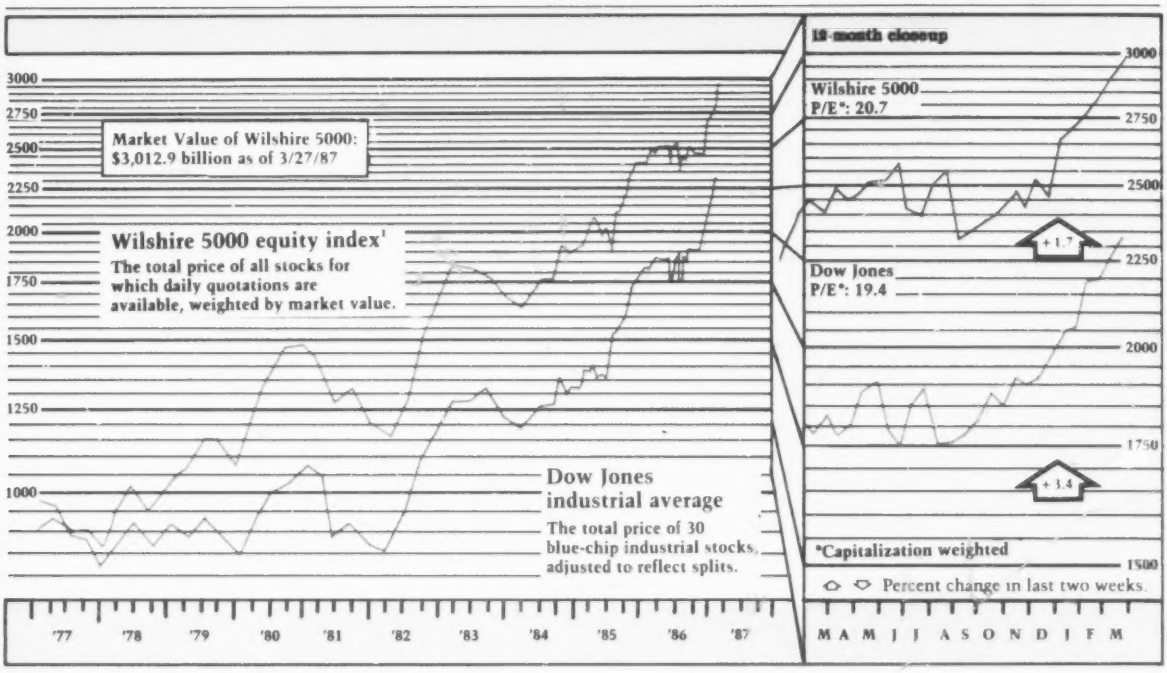
The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure the eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Stocks and inflation. With a gain of 3.4% in the last two weeks, the Dow industrials are trading at 19.4 times latest 12-months' earnings. That is expensive by historical standards, if you accept the theory of an inverse relationship between P/E ratios and inflation rates. As we noted here earlier *(June 20, 1983)*, the sum of the Dow P/E and the inflation rate has, over the past several decades, fluctuated around 20. If this rule of thumb is still valid, current stock prices are reasonable only if inflation stays below 0.6% a year. It could, but the market doubts that it will. CPI futures traded on the Coffee, Sugar & Cocoa Exchange are pegged for a 6.6% rate.

The P/E-plus-inflation number peaked in 1961. Inflation that year was 1%, and the average P/E for the year was 21.7. The Dow P/E hasn't broken 21 since (excluding some aberrations when huge writeoffs depressed the combined Dow earnings figure). Instead, the market P/E went on a downward trend for 13 years.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	3.7	3.6	5.0	3.9	5.1	2.8
in last 52 weeks	21.2	17.6	28.2	22.3	25.3	17.0

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	2.8	6.8	9.2	4.9	4.2	3.7	2.1	9.6	8.2	3.2	3.4	7.2
in last 52 weeks	22.9	45.4	62.6	28.4	22.5	19.5	14.3	47.3	62.5	22.3	24.6	29.1

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

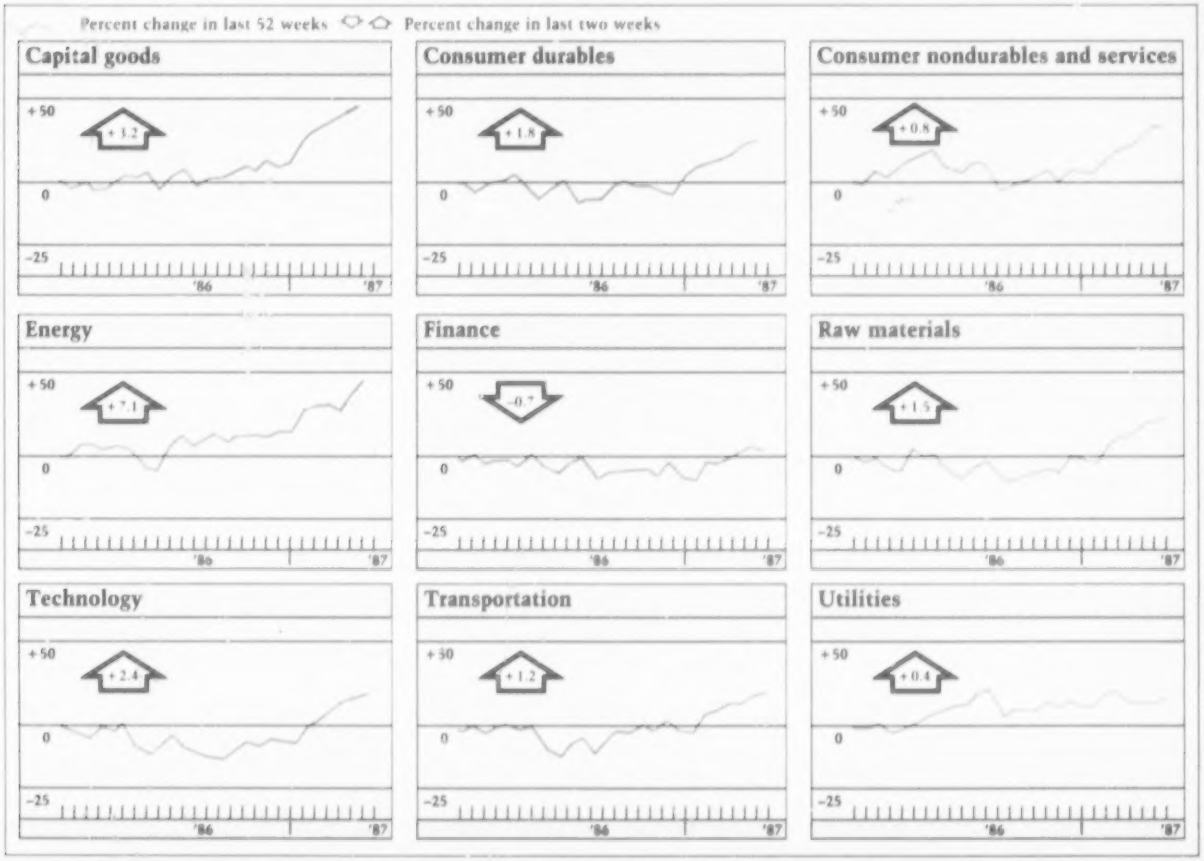
Note: All data for periods ending 3/27/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Geo French

Where The Action Is

A crude awakening. Energy was the hottest sector in March, up 13.9%, compared with 3.7% for the Wilshire index. Standard Oil climbed 16% in response to a handsome $70-per-share tender offer from British Petroleum for the 45% of Standard that BP doesn't own. (John Herold & Co. estimates Standard's breakup value at under $50.) Amerada Hess, up 13%, is also considered a restructuring or takeover candidate.

While the overall market gained 21.2% during the last 52 weeks, the finance sector, hurt primarily by troubled thrifts, managed a paltry 2.5% gain. Contrarians with some patience may find some turnarounds here. The sector is trading at ten times the earnings analysts expect for it this year.



What The Analysts Think

Have we been here before? The most expensive group, energy, is selling at 18.2 times estimated 1987 earnings. In the last two weeks analysts raised their sights even higher, and oil stocks are again attracting interest as takeover plays. But those who have been waiting for an energy turnaround since 1982 may have a feeling of déjà vu.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.58	19.3
1987 estimates	3.54	14.1
1988 estimates	4.25	12.1

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Energy	$2.41	18.2	0.22%	3.30%
2	Capital goods	2.48	17.7	0.20	-0.74
3	Consumer nondurables	2.40	17.7	-0.01	-0.36
4	Raw materials	2.34	17.1	-0.08	0.10
5	Consumer durables	3.50	13.4	-0.40	0.19
6	Utilities	2.89	10.3	-0.64	-1.12
7	Finance	3.61	10.0	-0.64	-0.84
8	Transportation	2.46	14.2	-0.74	-1.01
9	Technology	2.69	16.7	-0.89	-1.14

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 3/27/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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THE FORBES 500s ANNUAL DIRECTORY

SPECIAL ISSUE 1987 FOUR DOLLARS FIFTY CE

Forbes 500

Ranked Four Ways

SALES
PROFITS
ASSETS
MARKET VALUE

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The Forbes 500s

THE NATION'S LARGEST COMPANIES RANKED FOUR WAYS

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April 27, 1987 Volume 139 Number 9 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1987 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.
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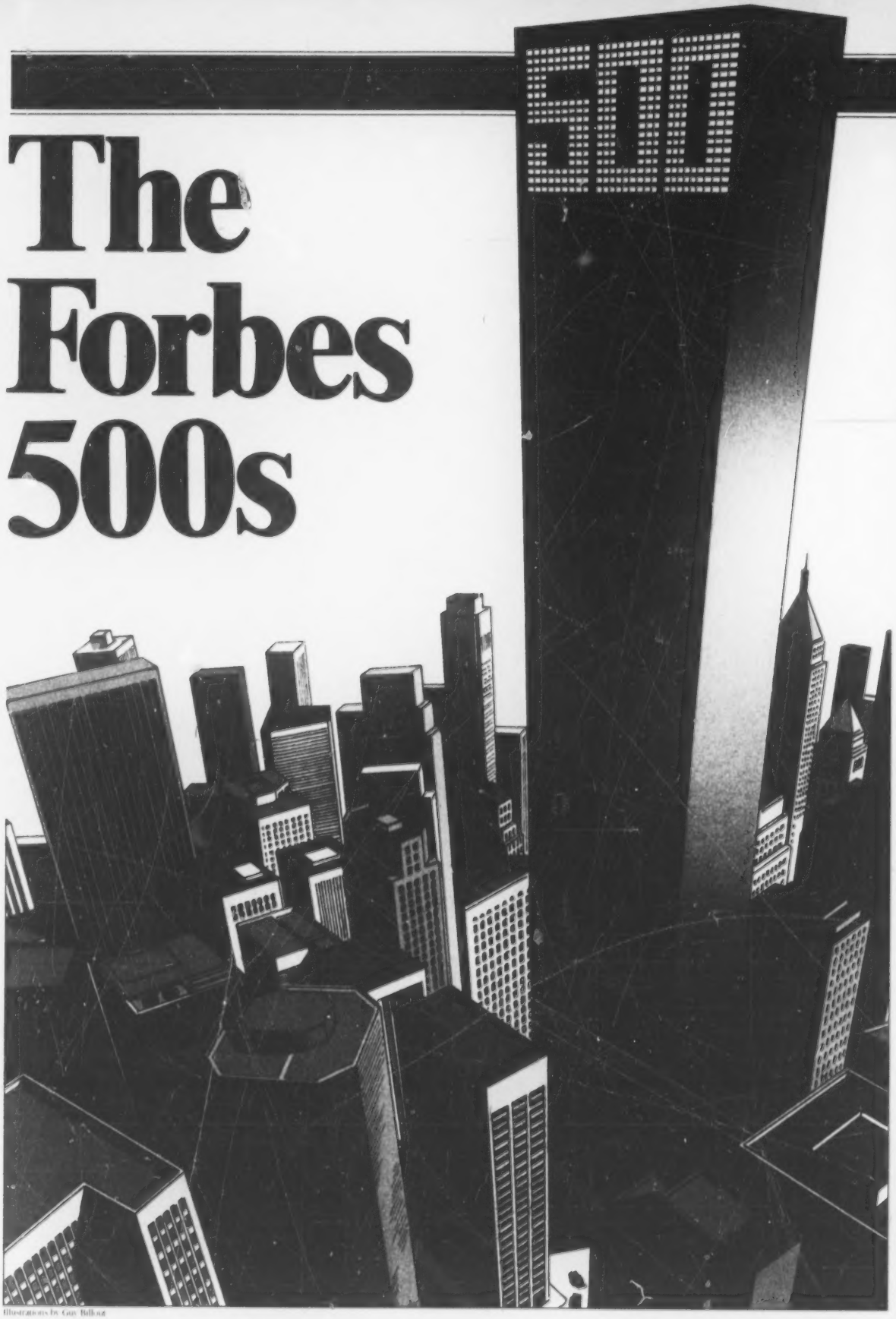
The Forbes 500s



Illustrations by Guy Billout

INTERNATIONAL COMPETITIVENESS. That's the battle cry these days in American business, and it translates into cost-cutting and layoffs. Total employment at the companies making one or more of the four 500 lists has slumped steadily downward, reaching 21.1 million by year-end 1985. Last year the job total was off another 517,000, to 20.6 million, as employers divested divisions, closed factories and squeezed more production from workers. Giant companies dropped from the lists as they were gobbled up, taken private or upstaged by outfits that didn't exist a generation ago. Evidently big business doesn't have quite the control over its destiny that John Kenneth Galbraith told us about 20 years ago.

Notwithstanding the five-year economic expansion, profits of the 500 most profitable public companies are inching up at 3.5% a year *(see table)*, barely more than the rate of inflation.

A roster of big public companies, of course, can't tell the whole story of American business. The unsung heroes of the economy—the ones that account for most job growth—are smaller and usually private. Thus, we can't include here the happy story of employee-owned Laidlaw Corp., a leading Scottsdale, Ariz. flyswatter firm. Laidlaw, with $30 million in sales, had its best year ever, reports Chairman John S. Mueller, and it is now number one worldwide in the wire-handled variety. "We don't worry about foreign competition," he says. The news is not all bad on the international front, even if the big companies are having a rough go of it.

The 790 companies listed in the following tables account for a combined $2.6 trillion in sales and probably at least a fifth of the gross national product. In order to make the list, a corporation had to have at least $1.258 billion in sales, $55.9 million in profits, $2.489 billion in assets or $888 million in market value of its common stock. Rules and definitions appear on pages 199 and 232.

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The grand totals

Not only the performance of the economy—GNP was up 5.3% last year before inflation adjustment—but the activity of mergermakers shaped these numbers.

Category	1986 totals	Change from 1985	5-year growth rate
Sales 500	$2.60 trillion	–2.3%	+2.2%
Profits 500	141 billion	+6.1	+3.5
Assets 500	5.65 trillion	+10.6	+10.0
Market value 500	1.80 trillion	+14.3	+13.9
Total employment of 500s companies	20.6 million	–2.5	–1.4

The Forbes Sales 500

Combined sales of these 500 firms were $2.6 trillion last year, down $62 billion from the previous year's list.

BIG COMPANIES are not gaining any monopoly on the American economy. The combined sales of the 500 largest sellers were $2.6 trillion last year, down slightly from the year before. There are industries that are getting oligopolistic–airlines and banks–but breakups, divestitures and competition from abroad seem to be making most markets less concentrated.

Rank 1986	Rank 1985	Company	Sales ($mil)	Change over 1985 %
1	1	General Motors	102,814	6.7
2	2	Exxon	69,888	–19.4
3	4	Ford Motor	62,716	18.8
4	5	IBM	51,250	2.4
5	3	Mobil	44,866	–19.8

With 1986 sales of $102.8 billion, 6.7% higher than the previous year, General Motors remains in first place. With a $32.9 billion lead over second-place Exxon, GM is likely to maintain its position despite its recent problems. In fact, lower oil prices brought Exxon's sales down 19.4% from 1985, to $69.9 billion. Chevron, Philips Petroleum and Atlantic Richfield also posted sharp revenue declines.

The 500th company is Foster Wheeler, which has sales of $1.258 billion. One year ago the last firm had sales of $1.251 billion. That's only a 0.6% increase, even less than the modest 1.1% rise in consumer prices.

Gone from the Sales 500 are the likes of Beneficial Corp., which is liquidating; Charter, which remains in Chapter 11; and Crown Zellerbach, which was acquired by Sir James Goldsmith. Morgan Stanley, one of a number of investment bankers and brokerage firms to go public in the last two years, joins with revenues of $2.5 billion. Thanks to an initial public offering last September, Reliance Group is back and ranks 235th with sales of $3.1 billion. Stone Container, which acquired Champion International's packaging operations, is added to the list with sales of $2.03 billion.

This list, like the rest of The Forbes 500s, has no arcane rules to segregate "service" companies from "manufacturing and mining." All industries are represented here. For manufacturing firms, our figures include net sales and other operating revenues. For financial companies, sales include operating income and other income. For oil, liquor and tobacco companies, sales exclude excise taxes. Unconsolidated subsidiaries are included if significant—FPL Group's Colonial Penn insurance unit, for example.

Winners

The leaders in sales growth

Rank 1986	Rank 1985	Company	Sales ($mil)	Change over 1985 %
422	■	Revlon Group	1,611	814.4
168	■	Capital Cities/ABC	4,124	304.0
118	299	Baxter Travenol Labs	5,543	135.4
318	■	Berkshire Hathaway	2,177	131.6
158	354	Texas Air	4,407	126.7

■ Not on 500 list in 1985.

Losers

The laggards in sales growth

Rank 1986	Rank 1985	Company	Sales ($mil)	Change over 1985 %
172	81	Amerada Hess	4,015	–47.6
11	7	Chevron	24,352	–41.7
367	232	Williams Cos	1,859	–40.8
487	314	Murphy Oil	1,313	–40.3
497	327	Tesoro Petroleum	1,270	–40.1

The Forbes Sales 500

Rank 1986	Rank 1985	Company	Sales ($mil)	Change over 1985 %
6	8	Sears, Roebuck	44,282	8.8
7	11	General Electric	35,211	24.5
8	9	American Tel & Tel	34,087	2.4
9	6	Texaco	31,613	–31.7
10	10	El du Pont	26,907	8.0
11	7	Chevron	24,352	–41.7
12	15	K mart	23,812	5.2
13	14	Citicorp	23,496	4.4
14	17	Chrysler	22,586	6.3
15	39	Philip Morris Cos	20,681	70.2
16	20	Aetna Life & Cas	20,483	10.1
17	13	Amoco	18,281	–32.1
18	22	Kroger	17,123	10.0
19	23	Cigna	17,064	5.4
20	18	ITT	16,946	–14.9
21	41	American Express	16,809	29.3
22	30	Procter & Gamble	16,580	17.1
23	34	Boeing	16,341	19.8
24	28	Travelers	16,047	10.0
25	35	RJR Nabisco	15,978	18.1
26	27	United Technologies	15,669	4.5
27	29	Occidental Petroleum	15,344	5.6
28	24	GTE	15,112	–4.0
29	33	JC Penney	14,740	7.2
30	26	Tenneco	14,529	–4.9
31	16	Atlantic Richfield	14,487	–33.3
32	31	American Stores	14,021	1.0
33	21	USX	14,000	–24.0
34	44	Xerox	12,919	12.1
35	45	McDonnell Douglas	12,661	10.3
36	42	Rockwell Intl	12,397	5.6
37	36	BankAmerica	12,072	–0.9
38	66	Wal-Mart Stores	12,026	40.1
39	59	Allied-Signal	11,794	30.3
40	40	Eastman Kodak	11,550	8.6
41	48	BellSouth	11,444	7.3
42	51	Nynex	11,342	10.0
43	43	Dow Chemical	11,113	3.7
44	47	Westinghouse	10,731	0.3
45	50	Fedl Natl Mortgage	10,340	1.9
46	54	Federated Dept Stores	10,312	3.4
47	■	May Dept Stores	10,176	8.0
48	57	Lockheed	10,173	7.7
49	60	Bell Atlantic	9,971	6.2
50	25	Phillips Petroleum	9,786	–47.4
51	85	Merrill Lynch	9,475	43.1
52	55	Chase Manhattan	9,460	–2.8
53	32	Sun Company	9,376	–41.9
54	61	Ameritech	9,362	3.8
55	73	PepsiCo	9,291	15.3
56	64	Dayton-Hudson	8,759	4.3
57	37	Standard Oil	8,239	–29.1
58	101	UAL	8,198	44.1
59	56	Goodyear	8,103	–3.0
60	67	Pacific Telesis	8,077	3.0
61	71	General Dynamics	8,892	8.9
62	106	American Intl Group	8,876	53.5
63	82	Super Valu Stores	8,762	16.2
64	74	Kraft	8,742	10.4
65	76	Coca-Cola	8,669	9.7
66	77	Minn Mining & Mfg	8,602	9.6
67	74	Winn-Dixie Stores	8,580	6.6
68	87	Digital Equipment	8,414	19.7
69	72	Sara Lee	8,340	3.2
70	79	US West	8,308	6.3
71	93	Loews	8,256	30.6
72	38	Southland	8,187	–33.9
73	75	Southwestern Bell	7,902	0.3
74	95	Great A&P Tea	7,835	18.4
75	68	Pacific G&E	7,817	–7.3
76	69	Mfrs Hanover	7,794	–7.1
77	88	Anheuser-Busch Cos	7,677	9.7
78	86	Fleming Cos	7,653	7.9
79	52	Enron	7,591	–26.0
80	46	Unocal	7,482	–30.3
81	134	Unisys	7,432	47.5
82	91	Caterpillar	7,321	8.9
83	100	Raytheon	7,308	14.0
84	70	LTV	7,275	–11.3
85	97	Hewlett-Packard	7,243	10.3
86	121	Weyerhaeuser	7,234	16.8
87	92	Georgia-Pacific	7,223	7.5
88	99	Johnson & Johnson	7,003	9.1
89	109	Textron	6,951	21.5
90	65	Burlington Northern	6,941	–19.8
91	90	Monsanto	6,870	2.0
92	89	Southern Company	6,847	1.6
93	12	Salomon	6,780	–70.2
94	96	JP Morgan	6,672	1.5
95	105	McKesson	6,671	14.1
96	84	Coastal Corp	6,668	–8.3
97	80	Union Pacific	6,574	–15.7
98	78	Ashland Oil	6,515	–16.9
99	103	FW Woolworth	6,501	9.1
100	58	Lucky Stores	6,441	–31.4
101	112	ConAgra	6,337	12.9
102	83	CSX	6,318	–13.1
103	62	Union Carbide	6,313	–20.6
104	114	American Brands	6,251	10.8
105	110	American General	6,190	8.9
106	115	Transamerica	6,076	8.7
107	104	TRW	6,036	2.0
108	102	AMR	6,018	–1.9
109	120	Continental Corp	6,002	17.9
110	137	Lincoln National	5,999	22.3
111	116	Security Pacific	5,977	7.9
112	119	Motorola	5,888	8.2
113	125	Pillsbury	5,713	11.0
114	133	Ralston Purina	5,698	13.4
115	98	Santa Fe Southern	5,631	–12.6
116	133	Northrop	5,608	10.9
117	128	Archer Daniels	5,558	8.7
118	299	Baxter Travenol Labs	5,543	135.4
119	126	Supermarkets General	5,508	7.5
120	134	International Paper	5,500	22.2
121	111	Chemical New York	5,488	–2.9
122	135	Commonwealth Ed	5,479	10.4
123	164	FPL Group	5,429	24.8
124	132	Albertson's	5,380	6.3
125	94	Honeywell	5,378	–18.8
126	181	Zayre	5,351	32.6
127	130	Pacific Lighting	5,324	4.7
128	123	Southern Calif Edison	5,312	2.8
129	167	Marriott	5,267	24.2
130	142	Melville	5,262	10.2
131	120	First Interstate Bncp	5,238	0.1
132	117	Consolidated Edison	5,198	–5.5
133	148	Emerson Electric	5,156	10.2
134	144	Borden	5,002	6.1
135	152	Colgate-Palmolive	4,985	10.2
136	136	Texas Instruments	4,974	1.0
137	173	Hospital Corp	4,931	18.8
138	147	American Home Prod	4,927	5.2
139	145	Bankers Trust NY	4,923	4.8
140	160	NCR	4,882	13.1
141	156	General Mills	4,843	9.8
142	138	American Electric	4,843	–0.1
143	155	Bristol-Myers	4,836	8.8
144	258	Wickes Cos	4,770	70.0
145	157	Martin Marietta	4,753	7.8
146	165	PPG Industries	4,687	7.9
147	124	Alcoa	4,667	–9.6
148	149	CBS	4,646	–0.7
149	143	Teledyne	4,553	–6.7
150	169	CPC International	4,549	8.1
151	168	HJ Heinz	4,546	7.6
152	161	North Amer Philips	4,532	3.1
153	146	Delta Air Lines	4,517	–3.7
154	159	Public Svc Enterprises	4,498	2.0
155	170	Campbell Soup	4,484	7.1
156	182	Pfizer	4,476	11.2
157	158	Fluor	4,457	1.1
158	354	Texas Air	4,407	126.7
159	107	Champion Intl	4,388	–24.9
160	203	USF&G	4,337	21.9
161	127	Bethlehem Steel	4,333	–15.3
162	177	Kimberly-Clark	4,303	5.7
163	150	Litton Industries	4,291	–6.1
164	160	IC Industries	4,222	–4.1
165	185	Alco Standard	4,157	5.4
166	194	McDonald's	4,144	12.1
167	197	Merck	4,129	16.4
168	■	Capital Cities/ABC	4,124	304.0
169	184	Carter Hawley Hale	4,090	2.8
170	186	Norfolk Southern	4,076	6.6

■ N.A. or not in top 500 in 1985

The Forbes Sales 500

Rank 1986	Rank 1985	Company	Sales ($mil)	Change over 1985 %
171	138	Texas Eastern	4,074	-25.4
172	81	Amerada Hess	4,015	47.6
173	201	Whirlpool	4,009	15.4
174	211	Gulf & Western	4,007	18.9
175	163	First Chicago	4,001	-8.5
176	274	James River Corp Va	3,982	55.6
177	212	Wells Fargo	3,965	17.9
178	199	Quaker Oats	3,952	12.4
179	171	Texas Utilities	3,932	-5.7
180	195	Stop & Shop Cos	3,872	5.0
181	218	Wetterau	3,847	18.5
182	198	American Cyanamid	3,816	-7.9
183	196	Eaton	3,812	-8.7
184	213	Abbott Laboratories	3,808	13.3
185	224	Walgreen	3,803	16.5
186	207	Gt Western Financial	3,773	10.8
187	248	Ryder System	3,768	29.7
188	208	Time Inc	3,762	10.5
189	225	SmithKline Beckman	3,745	15.0
190	189	Boise Cascade	3,740	0.1
191	122	WR Grace	3,736	-28.3
192	232	Eli Lilly	3,720	13.8
193	214	Fireman s Fund	3,699	10.4
194	188	Dana	3,695	-1.6
195	191	Transco Energy	3,691	-1.1
196	219	Owens-Corning	3,644	10.3
197	205	Reynolds Metals	3,639	6.5
198	249	First Executive	3,629	25.2
199	278	MCI Communication	3,592	41.3
200	270	NWA	3,589	35.2
201	204	Bank of Boston	3,540	3.0
202	187	Firestone	3,537	-6.8
203	178	Houston Industries	3,536	-13.0
204	141	Halliburton	3,527	-29.2
205	226	Middle South Utils	3,486	7.6
206	180	American Motors	3,463	-14.3
207	227	Mellon Bank	3,457	7.3
208	175	Dresser Industries	3,454	-16.4
209	239	Grumman	3,440	12.8
210	238	Scott Paper	3,437	12.7
211	236	Cooper Industries	3,433	11.0
212	234	Sysco	3,415	10.7
213	230	Duke Power	3,401	7.4
214	217	Borg-Warner	3,370	1.6
215	202	Navistar Intl	3,373	-3.4
216	179	Columbia Gas System	3,370	-16.9
217	140	Control Data	3,347	-30.4
218	■	National Intergroup	3,344	97.7
219	246	Kellogg	3,341	14.0
220	215	Finl Corp of America	3,331	-0.4
221	252	Kemper	3,330	15.5
222	233	Tandy	3,323	6.3
223	■	United Brands	3,307	-7.2
224	183	Deere	3,293	-17.7
225	288	First Boston	3,258	42.0

■ Not ranked in 1985

Rank 1986	Rank 1985	Company	Sales ($mil)	Change over 1985 %
226	262	Mead	3,218	17.4
227	296	Chubb	3,209	34.0
228	261	National Medical	3,201	16.6
229	268	St Paul Cos	3,182	19.1
230	325	General Re	3,175	49.6
231	244	Inland Steel Inds	3,173	5.8
232	■	Henley Group	3,172	71.9
233	265	Bergen Brunswig	3,151	16.6
234	192	Trans World Airlines	3,145	-15.6
235	■	Reliance Group	3,145	24.9
236	297	Limited	3,124	31.7
237	260	Dun & Bradstreet	3,114	12.3
238	220	Consumers Power	3,108	-5.8
239	229	Warner-Lambert	3,103	3.0
240	242	GenCorp	3,090	2.6
241	256	Staley Continental	3,097	8.5
242	243	Philadelphia Electric	3,091	2.6
243	231	Greyhound	3,088	-4.1
244	275	Contel	3,074	20.2
245	263	Dominion Resources	3,072	13.3
246	240	United Telecom	3,059	4.4
247	200	Pan Am	3,048	-12.8
248	241	HF Ahmanson	3,029	3.0
249	223	FMC	3,013	-7.9
250	247	American Standard	3,005	3.0
251	283	First Bank System	2,930	16.8
252	245	Times Mirror	2,920	-0.9
253	301	Federal Express	2,901	25.0
254	172	American Can	2,887	-30.7
255	286	Avon Products	2,883	16.7
256	259	Detroit Edison	2,869	7.0
257	310	Warner Commun	2,848	27.4
258	294	Gillette	2,818	17.4
259	158	Price Co	2,807	-34.2
260	257	Burlington Inds	2,803	7.0
261	312	Gannett	2,801	26.8
262	271	Ingersoll-Rand	2,799	6.1
263	255	General Public Utils	2,787	-2.9
264	233	EF Hutton Group	2,760	-12.1
265	210	Household Intl	2,741	-19.0
266	281	USG	2,724	7.8
267	289	Enserch	2,723	19.7
268	332	Walt Disney	2,722	40.1
269	280	Wang Laboratories	2,690	9.9
270	414	Triangle Industries	2,668	65.1
271	304	Humana	2,667	17.0
272	267	Niagara Mohawk Pwr	2,660	-1.3
273	190	Armco	2,641	-29.3
274	221	Consol Natural Gas	2,623	-20.1
275	272	Hercules	2,615	-1.1
276	253	Continental Illinois	2,566	-10.0
277	264	Central & South West	2,564	-3.8
278	276	BF Goodrich	2,553	-0.2
279	292	Combustion Eng	2,551	8.0
280	284	Interco	2,545	1.5

Rank 1986	Rank 1985	Company	Sales ($mil)	Change over 1985 %
281	329	Johnson Controls	2,535	20.4
282	216	Kerr-McGee	2,535	-24.2
283	411	First Union	2,529	52.4
284	308	Giant Food	2,528	12.5
285	240	Service Merchandise	2,527	0.0
286	176	Diamond Shamrock	2,513	-38.7
287	322	Turner	2,497	16.2
288	295	American Medical	2,494	4.1
289	■	Morgan Stanley	2,463	37.2
290	380	SunTrust Banks	2,463	35.4
291	351	Toys "R" Us	2,445	23.7
292	331	MCA	2,441	16.3
293	282	Norwest	2,430	-5.8
294	427	PaineWebber Group	2,412	20.0
295	376	Food Lion	2,407	29.0
296	318	Safeco	2,399	10.8
297	359	Schering-Plough	2,399	24.5
298	304	Genuine Parts	2,394	5.0
299	279	Penn Central	2,388	-5.5
300	305	CalFed	2,356	3.6
301	319	Kidde	2,356	8.8
302	300	Bear Stearns Cos	2,349	0.6
303	307	Jim Walter	2,328	4.6
304	353	Cummins Engine	2,304	7.3
305	467	NCNB	2,295	21.9
306	320	Capital Holding	2,292	5.9
307	346	Upjohn	2,291	13.6
308	306	Engelhard	2,290	1.1
309	334	Lowe's Cos	2,283	10.2
310	251	Panhandle Eastern	2,250	-22.1
311	367	Marine Midland Bank	2,244	8.7
312	340	RR Donnelley	2,234	9.6
313	317	Ethyl	2,232	3.0
314	337	Kaiser Alum & Chem	2,222	9.5
315	344	Circle K	2,216	9.7
316	325	Home Group	2,194	10.0
317	350	Pennsylvania P&L	2,189	10.7
318	■	Berkshire Hathaway	2,177	131.6
319	348	Hershey Foods	2,170	8.7
320	311	Best Products	2,142	-4.2
321	313	MCorp	2,129	3.5
322	368	Consol Freightways	2,124	12.9
323	■	UNUM Corp	2,117	18.4
324	387	Emhart	2,094	18.0
325	326	Morrison-Knudsen	2,083	1.9
326	338	Rohm & Haas	2,067	0.8
327	349	PacifiCorp	2,067	4.2
328	375	Union Camp	2,045	9.6
329	358	Carolina Power & Lt	2,041	5.5
330	374	Air Prods & Chems	2,040	9.1
331	457	Gt Northern Nekoosa	2,040	9.4
332	■	Stone Container	2,032	65.3
333	433	Northeast Utilities	2,032	2.4
334	493	Apple Computer	2,030	15.8
335	355	Tribune	2,030	4.7

The Forbes Sales 500

Rank 1986	Rank 1985	Company	Sales ($mil)	Change over 1985 %
336	370	Mercantile Stores	2,028	7.9
337	291	American Petrofina	2,019	-16.2
338	406	Beverly Enterprises	2,019	19.4
339	408	Provident Life & Acc	2,018	19.5
340	418	Waste Management	2,018	24.1
341	412	Subaru of America	2,017	22.0
342	361	US Shoe	2,003	4.3
343	393	Sterling Drug	1,990	13.5
344	302	Harris Corp	1,989	-13.8
345	378	Pitney Bowes	1,987	8.5
346	■	West Point-Pepperell	1,981	62.6
347	341	Long Island Lighting	1,977	2.8
348	383	PNC Financial	1,967	9.9
349	293	Amfac	1,962	-18.4
350	■	Premark Intl	1,959	11.1
351	■	Coca-Cola Enterpr	1,951	53.4
352	343	Irving Bank	1,935	-4.6
353	415	AMP	1,933	18.1
354	409	Armstrong World Ind	1,920	14.4
355	369	Manville	1,920	2.1
356	417	George A Hormel	1,920	18.1
357	366	Morton Thiokol	1,919	1.6
358	■	TW Services	1,918	31.6
359	■	Centerior Energy	1,918	3.8
360	427	Barnett Banks Fla	1,914	21.6
361	401	Knight-Ridder	1,911	10.5
362	330	RepublicBank	1,894	-10.0
363	419	Zenith Electronics	1,892	16.5
364	269	Valero Energy	1,880	-29.4
365	413	Florida Progress	1,875	13.4
366	432	Piedmont Aviation	1,865	22.1
367	232	Williams Cos	1,859	-40.8
368	407	Corning Glass Works	1,856	9.8
369	422	Dillard Dept Stores	1,851	15.6
370	■	Banc One	1,847	55.0
371	404	Westvaco	1,836	7.5
372	388	USAir Group	1,835	4.0
373	390	Baltimore G&E	1,834	4.5
374	433	Parker-Hannifin	1,830	20.4
375	403	Bank of New England	1,830	7.0
376	■	Ames Dept Stores	1,828	47.7
377	424	Union Electric	1,807	13.5
378	324	Nicor	1,807	-15.1
379	474	Combined Intl	1,806	32.8
380	469	Marsh & McLennan	1,804	31.9
381	396	Black & Decker	1,798	2.7
382	365	Paccar	1,796	-5.2
383	316	InterFirst	1,790	-17.9
384	339	Squibb	1,785	-12.6
385	309	Pennzoil	1,782	-20.4
386	385	No States Power	1,782	0.4
387	439	GlenFed	1,774	17.5
388	423	Bank of New York	1,750	9.8
389	391	Ohio Edison	1,742	-0.7
390	■	Universal Leaf	1,740	34.9
391	400	Castle & Cook	1,738	3.4
392	394	First Wachovia	1,730	-1.3
393	290	Singer	1,725	-28.6
394	■	Maytag	1,724	0.7
395	402	Meritor Financial	1,723	0.4
396	425	Roadway Services	1,717	8.7
397	429	Brunswick	1,717	11.6
398	431	Yellow Freight Sys	1,714	12.0
399	335	Mack Trucks	1,712	-17.0
400	395	Olin	1,707	-2.5
401	379	Allegheny Power	1,704	-6.9
402	428	Rite Aid	1,702	10.3
403	285	Sonat	1,692	-32.3
404	■	Fred Meyer	1,688	6.6
405	352	National Distillers	1,685	-14.3
406	421	Natl Semiconductor	1,678	4.5
407	467	Citizens & Southern	1,663	20.8
408	397	Public Service Colo	1,658	-5.1
409	405	JP Stevens	1,656	-2.9
410	381	Holiday	1,648	-8.7
411	■	Tyson Foods	1,637	41.0
412	446	Longs Drug Stores	1,635	10.4
413	398	San Diego G&E	1,634	-6.0
414	440	Monfort of Colorado	1,632	8.9
415	490	Nordstrom	1,630	25.2
416	491	Polaroid	1,629	25.8
417	362	No Indiana Pub Svc	1,626	-14.8
418	442	Crown Cork & Seal	1,619	8.9
419	426	Colt Industries	1,616	2.3
420	435	NBD Bancorp	1,615	6.6
421	■	Revlon Group	1,611	814.4
422	492	Bally Manufacturing	1,593	23.0
423	382	General Signal	1,583	-12.1
424	356	Texas Commerce	1,579	-18.4
425	441	McGraw-Hill	1,577	5.7
426	482	Nash Finch	1,574	18.9
427	363	Mapco	1,570	-17.7
428	462	New York Times	1,565	12.3
429	473	Torchmark	1,555	14.2
430	373	Primark	1,554	-17.0
431	315	Sherwin-Williams	1,553	-29.3
432	472	Fort Howard Paper	1,549	13.6
433	436	ICH	1,545	2.0
434	445	VF	1,545	4.3
435	463	Payless Cashways	1,526	9.9
436	497	Louisiana-Pacific	1,506	19.5
437	■	Springs Industries	1,505	48.5
438	■	Sovran Financial	1,495	8.6
439	377	Gulf States Utilities	1,478	-20.5
440	465	Avnet	1,477	6.6
441	430	Intl Minerals & Chem	1,463	4.7
442	457	Super Food Services	1,462	3.8
443	371	IU International	1,455	-22.5
444	■	Masco	1,452	25.8
445	360	Trinova	1,447	-24.7
446	■	Monarch Capital	1,444	52.4
447	464	Cyclops	1,441	4.0
448	451	Dover	1,440	0.0
449	■	American President	1,440	23.0
450	493	Sundstrand	1,434	11.7
451	487	So N England Telecom	1,433	9.9
452	420	Peoples Energy	1,432	-11.5
453	449	New England Electric	1,432	-0.9
454	■	Geico	1,430	17.3
455	■	Ohio Casualty	1,415	21.4
456	489	Carson Pirie Scott	1,413	8.5
457	364	Baker International	1,412	-25.6
458	450	Wisconsin Energy	1,411	2.1
459	386	First City Bancorp	1,410	-20.9
460	444	Wilson Foods	1,407	-5.3
461	■	Republic New York	1,407	13.0
462	458	Brown Group	1,407	0.0
463	■	Alco Health Services	1,406	39.0
464	460	Cincinnati G&E	1,403	0.5
465	476	Square D	1,403	4.1
466	■	American Family	1,401	46.8
467	459	Koppers	1,396	-0.3
468	■	CoreStates Financial	1,391	33.4
469	■	Becton Dickinson	1,390	20.2
470	■	Browning-Ferris Inds	1,387	16.0
471	484	Intl Multifoods	1,387	5.5
472	494	Student Loan	1,377	7.3
473	■	Stanley Works	1,371	13.5
474	483	Potomac Electric	1,371	4.2
475	480	Centel	1,370	3.3
476	■	Dean Foods	1,361	12.9
477	466	Golden West Finl	1,359	1.4
478	468	Centex	1,358	1.3
479	448	Witco	1,355	-6.5
480	456	Tektronix	1,352	4.8
481	■	Hasbro	1,345	9.0
482	■	Fischbach	1,342	30.1
483	337	Allegheny Intl	1,327	-35.5
484	488	National City	1,326	1.8
485	452	Leaseway Transport	1,318	-7.9
486	495	Adolph Coors	1,315	2.6
487	314	Murphy Oil	1,313	-40.3
488	384	AMAX	1,308	-26.9
489	485	Perkin-Elmer	1,303	-0.5
490	■	Harcourt Brace	1,300	31.3
491	■	Automatic Data	1,298	17.9
492	■	Temple-Inland	1,296	4.2
493	■	National Service	1,288	5.6
494	■	Data General	1,288	7.4
495	■	NY State E&G	1,277	2.9
496	■	AZP Group	1,274	8.5
497	327	Tesoro Petroleum	1,270	-40.1
498	470	Intel	1,265	-7.3
499	■	Federal Co	1,262	2.5
500	■	Foster Wheeler	1,258	2.5

■ Not on 500 list in 1985

The Forbes Profits 500

The 500 most profitable public companies earned a total $140.9 billion last year. That was about what they did two years earlier.

EARNINGS AT BIG companies were mediocre last year. With total earnings of $140.9 billion, the 500 most profitable corporations in the U.S. made 6.1% more in 1986 than they did in 1985. But 1985 profits were off 5% from 1984. Indeed, since 1980 net income of the biggest firms is up only 18.8%, vs. a 28.1% gain in the price level. Last year 109 of the Profits 500 companies earned less than they did the previous year.

Rank 1986	Rank 1985	Company	Net profits ($mil)	Change over 1985 %	Cash flow ($mil)	Cash flow rank 1986
1	2	Exxon	5,360.0	-10.1	9,775	1
2	1	IBM	4,789.0	-27.0	8,777	3
3	4	Ford Motor	3,285.1	30.6	6,245	4
4	3	General Motors	2,944.8	-26.4	9,538	2
5	5	General Electric	2,492.0	6.7	3,952	6
6	10	BellSouth	1,588.7	12.1	3,524	9
7	14	El du Pont	1,538.0	37.6	3,657	8
8	12	Philip Morris Cos	1,478.0	17.8	2,133	21
9	18	Mobil	1,407.0	35.3	3,878	7
10	7	Chrysler	1,403.6	-14.2	1,947	22

Many firms were hurt by restructuring programs. AT&T had a $2.2 billion writeoff. United Technologies charged $593 million against earnings for closing or cutting back divisions. Union Carbide's 1986 earnings were $100 million lower than they would have been, since the company sold several businesses to defend against a hostile takeover attempt by GAF.

The full effect of writeoffs isn't reflected in our totals. That's because many companies that took the bitter medicine didn't make the list. USX wrote down energy operations and other assets to the tune of $1.5 billion, and thus can't be found here. (It does qualify for the Sales, Assets and Market Value lists, and the consolidated rankings beginning on page 199 show USX net income of minus $1.6 billion.)

Net income figures include gains and losses from discontinued operations but exclude such extraordinary items as gains from the cumulative effect of a change in accounting. For companies with insurance operations, net income includes portfolio capital gains and losses. Cash flow is net income plus depreciation, depletion and amortization of intangible assets.

Winners

The leaders in profit rebounds

Rank 1986	Rank 1985	Company	Net profits ($mil)	Change over 1985 %
379	■	Dime Savings Bank of NY FSB	84.6	1,514.3
92	■	CBS	389.2	1,320.4
35	480	Dow Chemical	741.0	1,177.6
394	318	Alleghany	79.5	1,026.8
364	■	Seagate Technology	90.4	938.5

■ Not on 500 list in 1985

Losers

The laggards in profit growth

Rank 1986	Rank 1985	Company	Net profits ($mil)	Change over 1985 %
115	8	American Tel & Tel	314.0	-79.8
428	106	United Technologies	72.7	-76.8
498	154	Enron	57.7	-71.7
289	74	Goodyear	124.1	-69.9
228	65	Occidental Petroleum	172.1	-62.2

The Forbes Profits 500

Rank 1986	Rank 1985	Company	Net profits ($mil)	Change over 1985 %	Cash flow ($mil)	Cash flow rank 1986
11	11	Sears, Roebuck	1,351.3	3.7	1,886	23
12	27	American Express	1,250.0	54.3	1,250	38
13	15	Nynex	1,215.3	11.0	2,871	15
14	■	GTE	1,184.3	D–P	3,489	11
15	16	Bell Atlantic	1,167.1	6.8	3,094	14
16	17	Ameritech	1,138.4	5.6	2,803	16
17	19	Pacific G&E	1,081.2	4.9	1,775	24
18	24	Pacific Telesis	1,079.4	16.2	2,591	17
19	20	RJR Nabisco	1,064.0	6.3	1,699	25
20	21	Citicorp	1,058.0	6.0	1,508	28
21	23	Commonwealth Ed	1,049.6	9.8	1,690	26
22	22	Southwestern Bell	1,022.7	2.7	2,410	19
23	29	Coca-Cola	934.3	29.4	1,364	30
24	25	US West	924.3	–0.1	2,324	20
25	26	Southern Company	882.9	6.4	1,540	27
26	31	JP Morgan	872.5	23.7	962	51
27	88	Aetna Life & Cas	865.2	132.8	912	54
28	80	Digital Equipment	861.6	115.1	1,263	37
29	72	American Intl Group	795.8	96.3	860	59
30	33	Minn Mining & Mfg	779.0	17.3	1,286	34
31	30	American Home Prods	778.8	8.6	887	56
32	28	Southern Calif Edison	768.6	–0.7	1,273	35
33	32	Procter & Gamble	757.0	9.7	1,325	33
34	6	Amoco	747.0	–61.8	3,165	13
35	480	Dow Chemical	741.0	1,177.6	1,485	29
36	13	Texaco	725.0	–41.2	3,457	12
37	9	Chevron	715.4	–53.8	3,502	10
38	■	Union Carbide	699.0	D–P	1,152	42
39	■	Cigna	691.7	D–P	825	64
40	48	Merck	675.7	25.2	870	58
41	36	Westinghouse	670.8	10.8	1,042	46
42	55	American General	669.2	32.1	723	81
43	41	Boeing	665.0	17.5	1,128	43
44	40	Pfizer	660.0	13.9	807	65
45	39	Rockwell Intl	634.8	9.3	1,209	40
46	38	Texas Utilities	626.9	6.7	875	57
47	■	Atlantic Richfield	615.1	D–P	2,454	18
48	■	Allied-Signal	605.0	D–P	973	49
49	140	K mart	598.7	170.7	976	47
50	49	Bristol-Myers	589.5	10.9	694	84
51	42	Chase Manhattan	585.4	3.6	759	76
52	51	Philadelphia Electric	566.3	7.8	917	53
53	53	Eli Lilly	558.2	7.8	736	79
54	43	Consolidated Edison	546.4	–3.1	849	61
55	37	Loews	545.5	–7.4	604	102
56	63	Abbott Laboratories	540.5	16.1	740	78
57	111	ITT	539.5	83.8	907	55
58	92	Ralston Purina	533.8	53.4	706	83
59	81	JC Penney	530.0	33.4	759	75
60	59	Hewlett-Packard	523.0	8.5	848	62
61	54	SmithKline Beckman	521.1	1.3	679	86
62	57	Norfolk Southern	518.7	3.7	800	66
63	66	Anheuser-Busch Cos	518.0	16.7	796	68
64	44	Salomon	516.0	–7.4	558	114
65	58	American Electric	507.2	4.6	945	52
66	86	Travelers	504.6	37.2	587	107
67	251	Baxter Travenol Labs	502.0	266.4	787	69
68	70	McDonald's	479.7	10.8	764	74
69	68	Detroit Edison	477.1	9.0	709	82
70	137	Merrill Lynch	469.2	109.2	647	90
71	67	Duke Power	467.8	6.9	970	50
72	60	Xerox	464.5	–2.3	1,270	36
73	136	Squibb	464.3	104.9	503	127
74	47	PepsiCo	457.8	–15.8	859	60
75	79	Middle South Utils	451.3	12.5	798	67
76	99	Wal-Mart Stores	450.1	37.4	573	110
77	457	Continental Corp	440.6	633.4	472	137
78	■	Monsanto	433.0	D–P	1,213	39
79	89	Bankers Trust NY	427.9	15.3	487	133
80	64	Houston Industries	424.9	–2.1	723	80
81	■	CSX	418.0	D–P	845	63
82	77	Emerson Electric	414.7	3.1	588	105
83	90	Ohio Edison	410.8	10.8	591	104
84	76	Manufacturers Hanover	410.7	0.8	580	109
85	131	Times Mirror	408.1	72.1	560	113
86	78	Lockheed	408.0	1.7	681	85
87	83	Chemical New York	402.4	3.1	508	124
88	75	Niagara Mohawk Power	397.9	–3.3	571	111
89	85	Raytheon	393.2	4.6	631	95
90	■	Centerior Energy	391.9	–2.3	533	119
91	62	Kraft	390.1	–4.4	503	126
92	■	CBS	389.2	1,320.4	497	129
93	101	Security Pacific	385.9	19.5	521	122
94	50	Sun Company	385.0	–27.0	1,154	41
95	■	May Dept Stores	381.0	8.3	644	91
96	102	Dominion Resources	379.8	18.8	769	72
97	46	Public Svc Enterprises	378.5	–5.3	770	71
98	164	Time Inc	376.4	88.4	536	117
99	97	Eastman Kodak	374.0	12.7	1,349	31
100	193	Waste Management	370.9	116.2	552	115
101	87	FPL Group	365.4	–1.8	766	73
102	71	American Brands	365.3	–13.2	494	131
103	98	Carolina Power & Lt	357.8	7.9	614	98
104	95	Central & South West	355.2	4.5	600	103
105	96	Union Electric	343.9	2.0	587	106
106	117	Dayton-Hudson	342.3	20.7	525	121
107	110	Dun & Bradstreet	340.0	15.4	504	125
108	104	First Interstate Bncp	337.9	7.9	457	142
109	103	NCR	336.5	6.8	614	99
110	35	Johnson & Johnson	329.5	–46.3	605	101
111	114	HJ Heinz	326.4	13.3	418	147
112	119	Kellogg	318.9	13.4	412	148
113	52	Long Island Lighting	316.7	–39.6	387	161
114	109	PPG Industries	316.4	4.5	567	112
115	8	American Tel & Tel	314.0	–79.8	4,239	5
116	■	Warner-Lambert	309.5	D–P	378	163
117	253	General Re	305.3	124.8	306	204
118	262	International Paper	305.0	132.8	631	96
119	141	HF Ahmanson	303.6	37.5	375	166
120	186	Walt Disney	302.4	71.8	643	92

■ Not on 500 list in 1985 D–P: deficit to profit

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Rank 1986	Rank 1985	Company	Net profits ($mil)	Change over 1985 %	Cash flow ($mil)	Cash flow rank 1986
121	115	Federated Dept Stores	301.9	5.3	549	116
122	113	Northeast Utilities	300.9	4.3	481	135
123	158	Gt Western Financial	300.8	49.1	337	188
124	112	Pennsylvania P&L	300.1	3.3	527	120
125	184	Georgia-Pacific	296.0	67.2	635	94
126	190	First Union	295.8	70.4	375	167
127	279	Tribune	292.9	136.5	390	158
128	129	Illinois Power	292.7	22.0	376	164
129	146	Lincoln National	284.4	32.7	309	202
130	69	Berkshire Hathaway	282.4	-35.2	282	223
131	93	AMR	279.1	-19.3	668	87
132	94	McDonnell Douglas	277.5	-19.7	785	70
133	163	Weyerhaeuser	276.7	38.3	624	97
134	123	Gannett	276.4	9.1	420	146
135	196	First Chicago	276.2	63.4	358	173
136	■	USF&G	275.0	D-P	290	217
137	128	Baltimore G&E	274.6	11.0	470	139
138	172	Wells Fargo	273.5	43.9	358	172
139	238	Capital Holding	273.4	91.5	293	213
140	121	Kimberly-Clark	269.4	0.9	439	144
141	420	Chubb	267.9	279.8	283	222
142	235	Transamerica	267.5	83.4	389	159
143	170	Schering-Plough	265.8	38.0	345	180
144	■	Alcoa	264.0	D-P	611	100
145	132	Gulf & Western	263.8	11.8	664	88
146	156	Upjohn	252.6	24.5	334	190
147	125	PacifiCorp	250.9	1.0	491	132
148	231	American Natl Ins	248.4	68.1	255	239
149	150	Household International	247.8	17.5	292	215
150	179	Combined Intl	247.2	35.9	299	208
151	139	Textron	245.9	10.0	370	168
152	203	SunTrust Banks	245.1	46.9	328	194
153	122	Gulf States Utilities	245.0	-7.7	407	150
154	211	Marsh & McLennan Cos	243.2	49.3	299	209
155	144	Sara Lee	241.1	11.4	395	155
156	151	Melville	238.3	13.1	306	203
157	173	PNC Financial	237.4	26.4	262	234
158	162	Archer Daniels	235.9	17.4	383	162
159	209	Quaker Oats	234.5	43.7	320	196
160	120	AZP Group	234.2	-16.2	395	154
161	368	Lucky Stores	233.3	169.6	319	198
162	130	Contel	232.9	-2.9	637	93
163	189	Bank of Boston	232.8	33.9	301	207
164	195	Safeco	228.7	34.2	229	261
165	152	NY State E&G	228.5	9.6	329	193
166	■	Fireman's Fund	228.4	D-P	247	245
167	73	Phillips Petroleum	228.0	-45.5	1,325	32
168	148	Campbell Soup	227.9	7.3	355	175
169	237	Limited	227.8	56.7	327	195
170	257*	Hercules	226.7	70.3	352	178
171	138	USG	225.5	0.8	312	201
172	169	Borden	223.3	15.2	361	170
173	45	Teledyne	221.8	-59.4	330	192
174	229	American Can	220.0	47.6	255	238
175	242	CPC International	219.2	54.4	390	157

■ Not on Stock list in 1985. D-P: deficit to profit.

Rank 1986	Rank 1985	Company	Net profits ($mil)	Change over 1985 %	Cash flow ($mil)	Cash flow rank 1986
176	194	Geico	217.7	27.6	228	263
177	■	TRW	217.7	D-P	478	136
178	270	General Mills	217.6	72.3	340	184
179	155	Tandy	216.4	6.2	276	227
180	184	FW Woolworth	214.0	20.9	339	186
181	175	Farmers Group	213.5	15.6	238	253
182	157	San Diego G&E	213.2	5.2	354	177
183	176	Pillsbury	209.1	13.3	410	149
184	166	No States Power	206.9	4.6	435	145
185	181	Borg-Warner	206.3	15.6	344	182
186	177	Potomac Electric	206.1	12.2	317	200
187	202	Torchmark	205.7	22.9	220	269
188	343	General Public Utils	205.2	112.7	485	134
189	182	Allegheny Power	203.7	14.2	355	176
190	207	Masco	203.4	23.7	247	246
191	204	First Bank System	202.9	21.7	232	257
192	266	American Cyanamid	202.5	56.9	392	156
193	124	Martin Marietta	202.3	-18.9	355	174
194	■	Morgan Stanley	201.3	90.1	201	288
195	355	Kemper	201.1	115.6	201	289
196	210	Champion Intl	200.8	23.1	471	138
197	147	Southland	200.4	-5.7	388	160
198	263	Banc One	199.8	53.3	235	256
199	178	Whirlpool	199.7	9.5	317	199
200	206	NCNB	198.8	20.8	270	230
201	218	Delta Air Lines	194.4	24.0	495	130
202	413	Motorola	194.0	169.4	653	89
203	174	First Wachovia	193.8	3.3	238	255
204	282	Columbia S&L	193.5	58.3	202	286
205	■	American Standard	193.2	776.2	298	210
206	201	Marriott	191.7	14.5	333	191
207	161	Scott Paper	186.5	-7.3	400	152
208	286	Greyhound	186.2	55.0	254	240
209	168	Warner Communications	185.8	-4.9	304	205
210	197	Ashland Oil	185.5	9.8	439	143
211	214	Golden West Finl	183.8	14.9	207	282
212	249	Dow Jones	183.4	32.3	249	242
213	159	Mellon Bank	183.3	-9.2	241	252
214	■	Fedl Natl Mortgage	183.0	396.1	183	308
215	240	Capital Cities/ABC	181.9	27.9	341	183
216	213	Florida Progress	181.2	12.6	337	187
217	■	United Telecom	180.6	769.2	741	77
218	264	First Boston	180.6	38.6	198	293
219	■	Consumers Power	177.8	D-P	405	151
220	293	Ethyl	177.7	51.7	262	233
221	312	Colgate-Palmolive	177.5	62.2	267	231
222	100	Unocal	176.0	-45.9	1,109	44
223	149	Consol Natural Gas	174.7	-17.8	362	169
224	116	Hospital Corp	174.6	-38.5	469	140
225	301	Bear Stearns Cos	174.0	52.8	182	310
226	376	Singer	173.0	146.8	242	250
227	198	Cincinnati G&E	172.9	2.6	256	236
228	65	Occidental Petroleum	172.1	-62.2	1,078	45
229	208	New England Electric	172.0	4.8	375	165
230	261	Bank of New England	171.8	31.0	209	276

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Rank 1986	Rank 1985	Company	Net profits ($mil)	Change over 1985 %	Cash flow ($mil)	Cash flow rank 1986
231	311	Sterling Drug	171.5	56.3	215	272
232	226	Pitney Bowes	167.9	11.7	291	216
233	255	CalFed	164.4	22.0	219	271
234	316	AMP	164.3	52.2	289	219
235	319	Corning Glass Works	162.2	50.7	292	214
236	268	Barnett Banks Fla	162.0	26.3	215	273
237	273	Ryder System	160.9	28.4	586	108
238	349	St Paul Cos	159.6	69.5	183	307
239	■	Avon Products	158.7	D–P	238	254
240	230	RR Donnelley	158.3	6.6	277	226
241	200	Wisconsin Energy	157.7	–5.8	279	225
242	280	First Executive	157.0	27.2	157	350
243	277	Citizens & Southern	155.8	25.1	214	274
244	412	Apple Computer	155.5	115.8	211	275
245	265	Bank of New York	155.2	19.2	186	302
246	227	MCA	155.2	3.5	974	48
247	296	Jim Walter	154.4	29.1	255	237
248	308	Penn Central	154.2	39.2	279	224
249	232	McGraw-Hill	154.0	4.5	205	284
250	167	FMC	152.5	–22.4	345	181
251	288	Toys "R" Us	152.2	27.1	186	303
252	241	ICH	152.0	6.9	162	342
253	187	Duquesne Light	151.4	–14.0	249	243
254	234	Public Service NM	151.0	3.2	229	259
255	283	Republic New York	148.5	21.6	164	338
256	171	CoreStates Financial	148.1	–22.9	180	314
257	357	Sovran Financial	148.0	19.2	201	291
258	260	Cooper Industries	147.7	9.4	275	228
259	329	James River Corp Va	147.1	44.2	229	260
260	276	Provident Life & Acc	146.8	17.5	165	335
261	217	Fort Howard Paper	146.4	–6.8	249	244
262	220	Utah Power & Light	146.3	–6.2	246	247
263	291	NBD Bancorp	145.8	23.6	172	326
264	297	Browning-Ferris Inds	145.7	25.4	289	218
265	■	Home Group	145.1	D–P	145	368
266	274	Marine Midland Banks	144.9	15.8	177	317
267	281	Student Loan	144.6	17.2	148	363
268	224	American Stores	144.5	–6.4	340	185
269	258	Knight-Ridder	140.0	5.5	223	267
270	287	So N England Telecom	139.2	16.1	336	189
271	244	Rohm & Haas	138.0	–2.3	250	241
272	135	Eaton	137.6	–40.4	242	251
273	377	Fleet Financial	136.7	66.3	175	320
274	315	National City	135.0	24.4	160	346
275	306	Hershey Foods	132.8	18.3	192	295
276	295	New York Times	132.2	13.7	207	281*
277	■	Reebok International	132.1	239.1	133	389
278	160	Morton Thiokol	131.6	–34.8	208	279
279	399	GenCorp	130.0	72.8	287	221
280	346	Union Camp	129.9	36.6	296	211
281	248	VF	129.4	–7.2	184	305
282	298	Irving Bank	128.1	10.5	166	333
283	313	Oklahoma G&E	126.3	16.3	219	270
284	489	DPL	125.9	122.9	183	309
285	■	Rorer Group	125.6	241.3	167	330
286	■	Nicor	125.0	D–P	224	265
287	359	Becton Dickinson	124.8	37.1	206	283
288	398	Cray Research	124.8	65.1	181	312
289	74	Goodyear	124.1	–69.9	503	128
290	360	General Cinema	124.0	36.2	173	325
291	309	Public Service Colo	123.8	11.9	244	248
292	269	Jefferson-Pilot	123.1	–3.9	127	395
293	419	Ipalco Enterprises	122.7	73.1	182	311
294	402	Trinova	122.6	64.2	165	336
295	331	Armstrong World Inds	122.4	21.3	197	294
296	302	Scana	122.2	7.6	243	249
297	319	Norwest	121.7	13.1	164	337
298	271	Genuine Parts	121.6	–3.7	141	371
299	325	Deluxe Check	121.1	16.2	153	355
300	■	Ogden	119.6	D–P	136	381
301	351	First Fidelity Bncp	119.5	27.5	139	376
302	290	Public Service Ind	118.8	0.6	205	285
303	310	Tucson Electric	117.4	6.4	160	343
304	339	ConAgra	117.4	19.5	177	316
305	■	Lone Star Industries	117.4	115.4	164	339
306	414	Maytag	116.9	–6.4	151	360
307	345	Automatic Data	115.5	20.9	224	266
308	■	UNUM Corp	115.1	–2.9	116	416
309	386	Hartford National	114.0	41.9	141	372
310	361	Midlantic	112.8	24.5	137	379
311	327	Mercantile Stores	111.1	8.4	158	349
312	332	Brunswick	110.3	10.0	172	327
313	272	Puget Sound P&L	110.2	–12.5	201	290
314	455	GlenFed	109.7	78.4	190	298
315	267	Centel	109.0	–15.3	302	206
316	317	Winn-Dixie Stores	107.8	0.0	270	229
317	328	Westvaco	107.3	5.1	229	262
318	496	First Federal Mich	106.7	93.5	116	417
319	222	Kansas City P&L	106.5	–31.4	209	277
320	348	Boston Edison	106.2	12.7	229	258
321	401	Sherwin-Williams	106.0	42.0	138	377
322	356	Norstar Bancorp	104.8	12.7	135	384
323	314	Rochester G&E	104.5	–3.7	175	321
324	353	US Tobacco	103.9	11.1	120	404
325	■	Reliance Group	103.9	139.6	126	396
326	■	Polaroid	103.5	180.5	175	323
327	243	Holiday	103.4	–26.8	260	235
328	410	Home Federal S&L	103.4	42.0	127	393
329	■	Ohio Casualty	102.7	133.0	107	431
330	■	Reynolds Metals	101.9	D–P	264	232
331	335	United Illuminating	101.6	2.0	136	380
332	324	Boise Cascade	101.5	–2.6	293	212
333	500	American Family	100.7	84.3	108	430
334	389	Ingersoll-Rand	100.6	26.5	175	322
335	358	Clorox	100.6	10.4	128	392
336	299	Washington Post	100.2	–12.3	166	334
337	370	Albertson's	100.2	17.7	167	331
338	■	Columbia Gas System	99.4	D–P	360	171
339	344	Walgreen	99.2	3.6	145	367
340	337	Hasbro	99.2	0.2	143	370

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The Forbes Profits 500

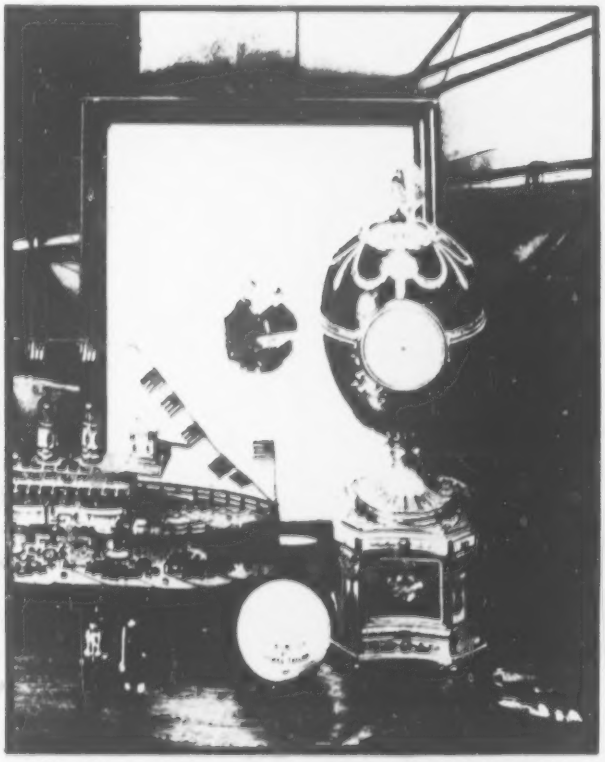
Rank 1986	Rank 1985	Company	Net profits ($mil)	Change over 1985 %	Cash flow ($mil)	Cash flow rank 1986
341	367	Square D	98.9	13.5	155	353
342	256	Continental Illinois	98.7	-26.4	131	390
343	382	Interco	98.5	21.0	144	369
344	294	USAir Group	98.4	-16.0	192	296
345	333	Hilton Hotels	97.8	-2.3	146	366
346	338	TECO Energy	97.6	-1.2	191	297
347	305	Southwestern Pub Svc	97.5	-13.6	153	356
348	342	Delmarva Power & Lt	96.1	-0.5	166	332
349	304	El Paso Electric	95.6	-15.4	115	420
350	■	Finl Corp of America	95.4	899.9	153	354
351	■	Tele-Communications	94.8	837.1	220	268
352	374	Subaru of America	94.8	13.8	100	450
353	■	Gt Am First Savings	93.7	105.3	118	412
354	497	Cincinnati Financial	93.5	70.0	101	447
355	407	McKesson	93.3	27.6	151	359
356	417	Vulcan Materials	93.2	30.7	170	329
357	347	Zayre	92.4	-2.4	158	348
358	373	Alexander & Baldwin	92.4	10.5	134	385
359	395	USLife	92.3	21.1	101	446
360	■	Fidelcor	92.3	91.4	117	413
361	408	Maryland National	91.8	25.7	113	425
362	352	Kansas Power & Light	91.4	-2.6	157	351
363	188	Portland General	90.8	-36.0	208	280
364	■	Seagate Technology	90.4	938.5	115	418
365	387	Parker-Hannifin	90.3	12.7	156	352
366	250	Colt Industries	89.3	-35.3	136	382
367	391	Consol Freightways	89.1	12.4	183	306
368	385	AmeriTrust	88.5	10.1	104	437
369	322	Consolidated Papers	87.5	-18.1	120	407
370	443	Southeast Banking	86.5	33.3	121	402
371	225	National Medical	86.5	-42.6	225	264
372	418	Signet Banking	86.3	21.4	104	440
373	461	Liz Claiborne	86.2	42.3	91	464
374	375	Brown-Forman	86.1	4.1	115	419
375	415	WW Grainger	86.1	20.0	105	434
376	205	Dana	85.9	-48.0	190	299
377	426	Intl Flavors & Frags	85.7	22.9	105	435
378	■	Gt Northern Nekoosa	85.3	84.6	200	292
379	■	Dime Savings Bank	84.6	1,514.3	91	463
380	464	Society	84.1	39.5	106	433
381	334	Dover	83.8	-16.2	140	374
382	221	Pacific Lighting	83.6	-46.4	289	220
383	364	Johnson Controls	83.2	-5.9	176	319
384	428	Minnesota Power	82.6	19.0	120	405
385	430	KeyCorp	82.2	20.1	102	443
386	433	United Virginia Bkshs	81.9	21.2	111	429
387	456	AH Robins	81.8	33.2	102	444
388	■	Manville	81.2	D-P	171	328
389	371	Temple-Inland	80.8	-5.0	160	344
390	■	GAF	80.7	48.6	98	452
391	493	Dreyfus	80.6	44.9	82	477
392	350	Super Valu Stores	79.6	-15.3	174	324
393	■	Illinois Tool Works	79.6	152.3	117	415
394	318	Alleghany	79.5	1,026.8	90	466
395	416	Crown Cork & Seal	79.4	10.8	127	394
396	■	Tandem Computers	79.2	147.6	123	401
397	■	Hanover Insurance	78.9	238.2	79	486
398	392	Stanley Works	78.7	0.5	121	403
399	381	Grumman	78.7	-3.5	160	345
400	485	Shawmut	78.6	37.3	105	436
401	372	Idaho Power	78.4	-7.5	128	391
402	326	Mapco	78.3	-24.8	150	361
403	466	Lubrizol	78.2	29.8	126	397
404	477	Boatmen's Bancshares	78.1	31.9	101	448
405	449	Old Republic Intl	77.5	26.4	77	487
406	439	US Bancorp	77.2	16.3	94	459
407	406	NWA	76.9	5.2	319	197
408	397	Roadway Services	76.5	0.7	177	318
409	165	Caterpillar	76.0	-61.6	512	123
410	■	USHealthcare	75.8	209.0	80	481
411	379	Peoples Energy	75.6	-7.4	120	406
412	393	National Distillers	75.6	-2.1	181	313
413	■	Newmont Mining	75.4	D-P	146	365
414	■	Olin	75.2	D-P	189	301
415	■	PaineWebber Group	75.0	78.6	94	458
416	437	Bausch & Lomb	74.7	11.9	104	439
417	465	Willamette Inds	74.7	23.9	147	364
418	■	General Signal	74.6	51.5	135	383
419	436	Dillard Dept Stores	74.5	11.3	126	398
420	390	Monarch Capital	73.9	31.2	74	493
421	■	Wickes Cos	73.9	81.8	141	373
422	404	Central Ill Pub Svc	73.7	-0.7	134	387
423	448	Rite Aid	73.7	15.4	111	427
424	440	Petrie Stores	73.7	-5.4	119	410
425	427	Louisville G&E	73.3	5.5	119	411
426	■	Nordstrom	72.9	45.6	120	408
427	435	Telex	72.7	8.4	104	438
428	106	United Technologies	72.7	-76.8	535	118
429	438	Piedmont Aviation	72.4	8.5	190	300
430	425	National Service	72.3	3.5	98	451
431	■	Washington Mutual	71.8	266.6	77	489
432	239	Coastal Corp	71.6	-49.7	397	153
433	■	United Jersey Banks	71.5	22.7	82	478
434	495	State Street Boston	71.4	29.2	86	472
435	■	Marion Laboratories	71.0	53.8	84	473
436	■	Harcourt Brace	70.5	39.4	123	400
437	432	Intergraph	70.4	3.8	84	474
438	486	Rubbermaid	70.1	22.6	103	441
439	442	Rainier Bancorp	70.0	7.4	89	467
440	■	Potlatch	69.9	85.7	134	386
441	341	Southmark	69.8	-28.4	97	454
442	■	Medtronic	69.8	103.0	95	456
443	462	Atlantic City Electric	69.6	14.9	112	426
444	453	Tambrands	69.1	11.2	80	482
445	482	Meridian Bancorp	69.1	20.0	83	475
446	491	Great A&P Tea	69.0	23.0	162	341
447	460	Harris Corp	68.6	13.0	209	278
448	303	Pennzoil	68.5	-39.5	348	179
449	380	North Amer Philips	68.5	-16.0	179	315
450	400	American Greetings	68.4	-8.7	96	455

■ Not on 500 list in 1985 D-P deficit to profit

The Forbes Profits 500

Rank 1986	Rank 1985	Company	Net profits ($mil)	Change over 1985 %	Cash flow ($mil)	Cash flow rank 1986
451	■	Gap	68.1	145.8	89	469
452	494	Yellow Freight System	67.1	20.8	159	347
453	285	Montana Power	66.9	-44.9	114	422
454	■	Affiliated Pubs	66.1	113.5	82	476
455	471	Snap-on Tools	65.5	9.6	80	483
456	467	Weis Markets	65.3	8.5	82	479
457	394	Valley National	65.2	-15.3	89	468
458	488	Witco	65.2	14.9	119	409
459	390	Perkin-Elmer	65.1	-18.1	115	421
460	■	Louisiana-Pacific	64.9	154.5	185	304
461	475	Central Hudson G&E	64.9	8.7	91	465
462	■	Huntington Bcshs	64.7	23.2	79	485
463	■	Progressive	64.7	82.6	71	497
464	■	Cabot	64.7	D-P	152	358
465	441	Kentucky Utilities	64.2	2.2	113	424
466	474	Arkla	64.2	7.5	140	375
467	■	LIN Broadcasting	63.8	78.4	77	488
468	405	Nalco Chemical	63.7	-13.2	106	432
469	446	Comdisco	63.5	-1.7	97	453
470	■	Price Co	63.3	25.3	74	492
471	■	Koppers	63.2	D-P	134	388
472	383	Washington Water	62.4	-23.3	101	449
473	■	Comerica	61.9	17.5	79	484
474	■	Lomas & Nettleton	61.9	34.2	77	490
475	■	Food Lion	61.8	29.9	91	462
476	■	E-Systems	61.6	36.8	86	471
477	■	AmSouth Bancorp	61.0	31.2	72	495
478	450	Supermarkets General	60.9	-4.5	137	378
479	■	Old Kent Financial	60.6	22.6	70	498
480	459	Wisconsin P&L	60.5	0.4	125	399
481	499	Sysco	60.3	10.1	95	457
482	■	Manufacturers Natl	60.0	20.0	72	496
483	■	Adolph Coors	59.4	11.2	152	357
484	■	Comsat	58.9	D-P	162	340
485	■	Ball Corp	58.9	15.0	103	442
486	■	BayBanks	58.9	21.1	81	480
487	■	Cincinnati Bell	58.2	12.8	117	414
488	■	Burlington Inds	58.1	253.9	202	287
489	476	Iowa-Illinois G&E	57.8	-2.6	113	423
490	154	Enron	57.7	71.7	465	141
491	■	Microsoft	57.7	84.7	64	499
492	■	Federal Co	57.6	42.5	92	460
493	■	Macmillan	57.6	28.9	92	461
494	■	CertainTeed	57.3	7.3	111	428
495	■	Downey Savings & Loan	57.2	7.1	62	500
496	■	Alco Standard	57.0	14.2	102	445
497	340	Kansas Gas & Elec	57.0	-41.7	149	362
498	■	Loral	56.6	16.3	89	470
499	■	Gibraltar Financial	56.3	45.0	73	494
500	■	H&R Block	55.9	3.3	77	491

■ Not ranked in 1985. [illegible]



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The Forbes Assets 500

The shuffle of assets at the top is keeping dealmakers busy: $60 billion in divestitures, $173 billion in acquisitions.

CHICAGO-BASED merger consultant W.T. Grimm & Co. says that divestitures by large firms hit an apparent record level of $60 billion in 1986, up 31% from the 1985 total. With all those expansions from past years going sour or looking irrelevant, you'd think big companies would lose their appetite for new acquisitions. Think again. The total value of takeovers fell only slightly, from $180 billion in 1985 to $173 billion in 1986.

Last year there were more acquisitions, but they were smaller. W.T. Grimm counts a total of 3,336 deals of $500,000 or more in 1986, up from 3,001 in 1985. In 1985 there were 36 takeovers or buyouts in excess of $1 billion. In 1986 there were only 27 such transactions.

Total assets of the 500 most asset-rich public companies climbed steadily last year, up $543 billion, to $5.65 trillion. That nearly matches the 10.6% annual upward trend of the past five years. More is going on here, of course, than mergers and internal growth. Financial firms dominate this list, and the increasingly complex financial marketplace makes for large balance sheets. A dollar of underlying tangible assets, e.g., inventory, may give rise to several dollars of financial assets. Even a catsup firm finances inventory by selling commercial paper to a brokerage, which borrows from a bank, which sells its debentures to a thrift.

Rank 1986	Rank 1985	Company	Assets ($mil)	Change over 1985 %
1	1	Citicorp	196,124	13.0
2	2	BankAmerica	104,189	-12.1
3	3	Fedl Natl Mortgage	100,406	1.3
4	7	American Express	99,476	33.0
5	5	Chase Manhattan	94,766	8.1

Citicorp, the largest firm by balance sheet size, climbed another 13%, to $196 billion. At the lower end, the cutoff for the 500th firm, BanPonce this year, went up 8.7%, to $2.5 billion. Texas Air and Capital Cities show sharp jumps that are results of acquisitions.

Of 500 companies that were on the list last year, 83 show a decrease in assets. Union Carbide exited from consumer products and farm chemicals, with a $2.9 billion drop in assets. Assets fell nearly 40% at Panhandle Eastern as it spun off Anadarko Petroleum. Halliburton, struggling with the decline in oilfield services, posted a 28.6% decline from the selloff of its marine vessels, while W.R. Grace, busy selling its stores and restaurants, cut assets 24.4%.

Winners

The winners in asset growth

Rank 1986	Rank 1985	Company	Assets ($mil)	Change over 1985 %
360	■	Coca-Cola Enterprises	3,811	388.9
183	■	Texas Air	8,000	309.6
263	■	Capital Cities/ABC	5,293	180.8
275	■	Integrated Resources	5,100	141.6
343	■	Tele-Communications	4,008	128.9

■ Not on 500 list in 1985.

Losers

The laggards in asset growth

Rank 1986	Rank 1985	Company	Assets ($mil)	Change over 1985 %
485	146	Control Data	2,595	-69.7
434	250	Panhandle Eastern	3,024	-39.8
400	269	Halliburton	3,329	-28.6
197	115	Union Carbide	7,571	-28.5
336	229	WR Grace	4,097	-24.4

The Forbes Assets 500

Rank 1986	Rank 1985	Company	Assets ($mil)	Change over 1985 %
6	4	Salomon	78,164	-11.8
7	8	JP Morgan	76,039	9.6
8	6	Mfrs Hanover	74,397	-2.8
9	11	General Motors	72,403	13.8
10	9	Exxon	69,484	0.5
11	12	Aetna Life & Cas	66,830	14.6
12	10	Sears, Roebuck	65,395	0.6
13	13	Security Pacific	62,606	17.0
14	14	Chemical New York	60,564	6.3
15	15	IBM	57,814	9.8
16	16	Bankers Trust NY	56,420	11.5
17	17	First Interstate Bncp	55,422	13.1
18	18	Merrill Lynch	53,013	10.3
19	20	Cigna	50,016	11.8
20	19	First Boston	48,618	6.8
21	22	Travelers	46,300	11.3
22	31	Wells Fargo	44,577	51.5
23	21	Mobil	39,412	-5.6
24	25	First Chicago	39,148	10.7
25	23	American Tel & Tel	38,883	3.9
26	29	Ford Motor	37,697	20.2
27	35	Bear Stearns Cos	36,195	34.1
28	26	ITT	35,805	-5.4
29	27	Texaco	34,940	-7.3
30	37	General Electric	34,591	30.9
31	24	Chevron	33,583	-11.1
32	28	Mellon Bank	33,499	3.3
33	32	Bank of Boston	33,045	20.3
34	33	Finl Corp of America	33,955	24.0
35	30	Continental Illinois	32,809	7.5
36	■	Morgan Stanley	29,205	84.9
37	38	First Bank System	28,011	9.9
38	39	Gt Western Financial	27,630	8.5
39	34	HF Ahmanson	27,592	1.3
40	56	NCNB	27,472	39.1
41	36	GTE	27,402	3.2
42	78	First Union	26,820	61.9
43	41	El du Pont	26,733	6.3
44	42	BellSouth	26,218	4.8
45	58	SunTrust Banks	26,165	33.8
46	47	EF Hutton Group	25,922	19.2
47	43	Marine Midland Bank	24,790	6.0
48	48	Irving Bank	24,233	11.9
49	40	Amoco	23,706	-5.9
50	50	American General	22,899	10.8
51	70	Bank of New England	22,473	26.2
52	62	PNC Financial	22,199	18.2
53	45	MCorp	21,887	-3.1
54	65	USX	21,823	18.3
55	51	Nynex	21,805	5.8
56	53	Atlantic Richfield	21,604	6.5
57	61	CalFed	21,553	13.4
58	49	Norwest	21,539	0.6
59	77	NBD Bancorp	21,176	27.0
60	55	Bell Atlantic	21,091	6.6
61	81	American Intl Group	21,023	35.0
62	60	Pacific G&E	21,002	10.0
63	44	RepublicBank	20,944	-9.8
64	63	Bank of New York	20,709	12.0
65	57	Pacific Telesis	20,321	4.0
66	64	Southern Company	20,307	10.0
67	59	Southwestern Bell	20,300	5.3
68	83	Barnett Banks Fla	20,259	36.4
69	68	Commonwealth Ed	19,389	7.0
70	74	Xerox	19,299	12.4
71	54	Texas Commerce	19,192	-4.4
72	80	Loews	19,024	18.0
73	90	Citizens & Southern	18,757	38.0
74	69	US West	18,747	4.3
75	67	Ameritech	18,739	3.3
76	71	First Wachovia	18,690	5.6
77	74	Meritor Financial	18,347	7.5
78	85	Student Loan	18,232	26.2
79	84	GlenFed	18,046	22.4
80	52	Tenneco	18,021	-11.8
81	46	InterFirst	17,986	-18.5
82	72	Philip Morris Cos	17,642	1.2
83	105	Occidental Petroleum	17,467	50.8
84	82	Republic New York	17,465	14.0
85	112	Banc One	17,372	60.5
86	75	RJR Nabisco	17,019	10.3
87	91	Lincoln National	16,244	19.9
88	87	Transamerica	16,182	17.7
89	66	Standard Oil	15,955	-13.0
90	79	PaineWebber Group	15,700	4.7
91	95	First Fidelity Bncp	15,170	20.2
92	133	Sovran Financial	14,952	44.7
93	109	CoreStates Financial	14,595	31.7
94	97	Chrysler	14,463	14.9
95	143	First Executive	14,384	64.6
96	88	Middle South Utils	14,347	-3.0
97	99	National City	14,107	12.8
98	151	Hartford National	13,879	66.4
99	76	First City Bancorp	13,681	-18.7
100	94	Procter & Gamble	13,650	7.1
101	107	Continental Corp	13,623	18.5
102	89	American Electric	13,592	-0.2
103	96	Southern Calif Edison	13,245	5.2
104	102	Household Intl	13,207	10.7
105	155	Gt Am First Savings	13,065	59.1
106	100	Eastman Kodak	12,896	6.3
107	131	AmeriTrust	12,882	32.7
108	108	CSX	12,661	10.3
109	106	Gulf & Western	12,568	9.1
110	110	Southeast Banking	12,469	12.8
111	101	Golden West Finl	12,435	2.5
112	86	Phillips Petroleum	12,399	-11.7
113	111	Texas Utilities	12,318	13.4
114	128	Gibraltar Financial	12,249	24.2
115	103	Dow Chemical	12,242	3.5
116	124	Home Federal S&L	12,075	20.5
117	233	AZP Group	12,036	126.0
118	119	Midlantic	11,874	14.7
119	120	Textron	11,712	13.2
120	173	Fleet Financial	11,690	64.1
121	93	Sun Company	11,684	-9.6
122	104	Santa Fe Southern	11,602	1.8
123	187	Fidelcor	11,397	68.5
124	122	First Federal Mich	11,273	10.6
125	92	Allied-Signal	11,268	-13.1
126	117	JC Penney	11,188	6.3
127	212	Weyerhaeuser	11,171	29.3
128	137	Norstar Bancorp	11,132	23.7
129	116	United Technologies	11,092	5.4
130	136	Boeing	11,068	19.7
131	114	Union Pacific	10,863	1.4
132	123	Philadelphia Electric	10,748	3.7
133	134	CityFed Financial	10,728	40.4
134	126	Valley National	10,715	7.9
135	163	Shawmut	10,697	36.8
136	98	Burlington Northern	10,651	-14.9
137	139	FPL Group	10,638	19.3
138	125	K mart	10,578	5.9
139	118	Public Svc Enterprise	10,578	0.9
140	175	Columbia S&L	10,223	43.6
141	115	Unocal	10,143	-6.7
142	150	CrossLand Savings	10,006	35.8
143	144	Detroit Edison	9,998	5.3
144	159	Comerica	9,983	7.2
145	■	Centerior Energy	9,966	10.7
146	176	Boatmen's Bancshare	9,919	40.6
147	121	Allied Bancshares	9,864	-4.7
148	130	Norfolk Southern	9,752	-0.2
149	135	Kemper	9,735	5.1
150	167	Coast S&L Assoc	9,725	30.2
151	157	Imperial Corp of Am	9,597	19.3
152	164	Maryland National	9,513	22.1
153	149	US Bancorp	9,491	13.7
154	165	Signet Banking	9,471	22.3
155	156	United Virginia Bksh	9,454	16.3
156	271	Unisys	9,409	106.5
157	150	Rainier Bancorp	9,216	10.4
158	160	Fireman's Fund	9,178	14.9
159	138	Consolidated Edison	9,111	1.9
160	■	Empire of America	9,095	7.7
161	166	Northern Trust	9,080	21.2
162	174	KeyCorp	9,073	37.4
163	142	Society	9,061	3.6
164	148	American Brands	9,056	8.2
165	141	Houston Industries	9,038	4.7
166	147	Dominion Resources	8,940	5.4
167	168	USF&G	8,936	19.9
168	161	Long Island Lighting	8,844	11.2
169	162	UAL	8,717	10.7
170	189	General Re	8,677	29.7

■ Not on 500 list in 1985

The Forbes Assets 500

Rank 1986	Rank 1985	Company	Assets ($mil)	Change over 1985 %
171	145	Consumers Power	8,631	0.2
172	180	Goodyear	8,610	23.8
173	127	Enron	8,490	-14.2
174	132	Westinghouse	8,482	-12.4
175	182	Coca-Cola	8,373	21.4
176	■	Dime Savings Bank	8,367	2.6
177	315	ICH	8,327	118.3
178	140	Monsanto	8,269	-6.9
179	138	Duke Power	8,237	-7.5
180	178	Manufacturers Natl	8,110	16.2
181	214	PepsiCo	8,029	37.0
182	278	United Jersey Banks	8,024	17.6
183	■	Texas Air	8,000	309.6
184	181	Digital Equipment	7,966	15.2
185	193	Capital Holding	7,925	20.3
186	170	McDonnell Douglas	7,911	-8.8
187	169	Ohio Edison	7,903	-8.4
188	332	First of America Bank	7,870	47.8
189	209	International Paper	7,848	10.0
190	152	Coastal Corp	7,777	-6.2
191	202	Huntington Bcshs	7,718	23.7
192	172	Michigan National	7,672	5.8
193	171	Rockwell Intl	7,629	5.1
194	200	BayBanks	7,628	21.7
195	183	St Paul Cos	7,627	10.6
196	177	Niagara Mohawk Pwr	7,611	-8.5
197	115	Union Carbide	7,571	-28.3
198	195	AMR	7,528	17.2
199	217	Provident Life & Acc	7,468	28.3
200	192	Minn Mining & Mfg	7,348	11.5
201	144	Beneficial Corp	7,267	-16.6
202	220	Chubb	7,227	25.4
203	190	Carolina Power & Lt	7,207	8.3
204	191	State Street Boston	7,190	8.1
205	185	Central & South West	7,141	4.8
206	179	Pennsylvania P&L	7,139	-2.5
207	194	First Wisconsin	7,090	9.5
208	184	Baxter Travenol Labs	7,068	3.5
209	■	UNUM Corp	6,951	22.3
210	213	Florida Natl Banks	6,877	15.0
211	203	Meridian Bancorp	6,801	9.2
212	201	Hospital Corp	6,793	8.5
213	197	Alcoa	6,767	6.5
214	186	Mercantile Bancorp	6,586	-2.6
215	■	TCF Banking & Saving	6,518	18.2
216	207	Northeast Utilities	6,480	5.4
217	231	United Financial	6,465	35.2
218	218	Hewlett-Packard	6,391	10.8
219	219	United Telecom	6,379	10.6
220	205	Union Electric	6,333	2.3
221	210	Caterpillar	6,288	4.5
222	228	Riggs National	6,253	15.1
223	■	May Dept Stores	6,209	5.3
224	266	CenTrust Savings	6,167	27.8
225	224	Gulf States Utilities	6,117	10.1
226	206	General Public Utils	6,086	-1.5
227	■	Reliance Group	6,079	20.2
228	208	Champion Intl	6,026	-1.2
229	263	Marshall & Ilsley	6,001	26.6
230	230	California First Bank	5,996	11.0
231	196	Texas American Bcsh	5,986	-6.7
232	223	Federated Dept Stores	5,982	-8.2
233	■	Atlantic Financial	5,979	35.5
234	248	McDonald's	5,969	18.4
235	260	First American	5,951	24.3
236	289	Lockheed	5,943	42.0
237	236	AmSouth Bancorp	5,943	13.7
238	267	Dominion Bankshare	5,921	26.3
239	376	Combined Intl	5,905	84.8
240	221	First Pennsylvania	5,888	-4.2
241	244	Johnson & Johnson	5,877	15.4
242	274	Northeast Savings FA	5,846	30.1
243	343	Anheuser-Busch Cos	5,834	43.0
244	361	Safeco	5,782	51.4
245	■	Talman Home Fedl	5,708	5.8
246	245	Home Group	5,681	11.7
247	240	Centerre Bancorp	5,665	9.5
248	216	Columbia Gas System	5,590	-4.2
249	283	Old Kent Financial	5,582	29.1
250	235	First Tennessee Natl	5,536	5.8
251	249	Western S&L	5,547	13.4
252	241	Carteret Savings	5,541	8.0
253	242	PacifiCorp	5,535	7.8
254	195	LTV	5,495	-12.0
255	■	Homestead Financial	5,492	17.0
256	273	First Maryland Bncp	5,487	22.1
257	239	Florida Federal S&L	5,465	5.6
258	264	Illinois Power	5,432	15.1
259	286	Washington Mutual	5,393	27.2
260	246	Contel	5,385	6.1
261	238	American Can	5,340	5.6
262	252	Commerce Bcshs	5,293	7.5
263	■	Capital Cities/ABC	5,293	180.8
264	279	Dayton-Hudson	5,282	19.6
265	272	MCI Communication	5,258	16.6
266	231	Texas Eastern	5,249	-2.7
267	275	Pfizer	5,164	13.7
268	249	Honeywell	5,139	2.1
269	294	First Kentucky Natl	5,128	23.8
270	215	Greyhound	5,122	-12.5
271	255	Georgia-Pacific	5,114	5.1
272	280	Indiana National	5,106	16.3
273	254	Merck	5,105	4.1
274	288	SouthTrust	5,101	21.2
275	■	Integrated Resources	5,100	141.6
276	■	American Capital	5,100	55.0
277	234	First Security	5,080	-4.1
278	277	Bancorp Hawaii	5,060	14.0
279	295	Pacific Lighting	5,020	21.5
280	344	Delta Air Lines	4,952	39.3
281	204	Amerada Hess	4,914	-21.0
282	■	DCNY Corp	4,868	5.5
283	■	Commercial Credit	4,864	23.1
284	301	First Florida Banks	4,845	20.3
285	256	United Banks of Colo	4,837	-0.3
286	323	Ryder System	4,784	27.9
287	276	Kraft	4,749	17.5
288	324	Deere	4,745	15.5
289	253	Entex	4,741	3.4
290	284	Louisiana Bancshares	4,741	10.2
291	287	South Carolina Natl	4,740	12.5
292	258	IC Industries	4,713	2.2
293	■	Henley Group	4,698	16.2
294	281	Motorola	4,682	7.1
295	262	Bethlehem Steel	4,661	-1.7
296	308	PPG Industries	4,647	13.7
297	305	Eli Lilly	4,596	16.2
298	344	Marriott	4,579	25.0
299	297	American Continental	4,573	11.2
300	381	Fin Corp Santa Barbara	4,559	43.4
301	461	Emerson Electric	4,558	35.2
302	276	General Dynamics	4,553	2.4
303	293	Banco Popular PR	4,525	9.3
304	411	Central Bancorp	4,510	17.0
305	268	Litton Industries	4,487	-3.8
306	477	Berkshire Hathaway	4,443	39.6
307	447	AMAX	4,308	23.5
308	434	First Alabama Bcshs	4,307	19.3
309	■	Benj Franklin S&L	4,306	7.9
310	■	Kaufman & Broad	4,475	98.8
311	290	Baltimore G&E	4,371	4.5
312	358	First Natl Cincinnati	4,368	27.8
313	455	First Jersey Natl	4,366	26.6
314	302	Perpetual Savings	4,333	7.8
315	496	NWA	4,323	86.3
316	438	Comter Group	4,305	20.5
317	311	Teledyne	4,305	6.3
318	391	Time Inc	4,300	40.0
319	435	Howard Savings Bank	4,293	17.4
320	413	Hibernia	4,288	19.8
321	285	Transco Energy	4,257	0.4
322	317	Equitable Bancorp	4,254	11.8
323	300	No States Power	4,247	4.9
324	392	Trustcorp	4,227	38.5
325	304	NY State E&G	4,225	6.2
326	327	SmithKline Beckman	4,222	13.1
327	299	Allegheny Power	4,200	3.5
328	■	AmeriFirst Federal	4,189	8.7
329	404	Wickes Cos	4,186	38.1
330	328	Bristol-Myers	4,184	12.4
331	360	American Home Prod	4,175	23.0
332	347	Central Fidelity Bank	4,137	17.8
333	329	Marine	4,130	11.0
334	323	Torchmark	4,123	10.3
335	364	Pacific First Finl	4,097	21.9

■ Not on 500 list in 1985

The Forbes Assets 500

Rank 1986	Rank 1985	Company	Assets ($mil)	Change over 1985 %
336	229	WR Grace	4,097	–24.4
337	291	Kroger	4,076	–2.4
338	385	Wal-Mart Stores	4,049	30.5
359	■	James River Corp Va	4,040	114.9
340	312	Duquesne Light	4,039	4.8
341	442	Ralston Purina	4,030	51.9
342	307	NCR	4,015	1.9
343	■	Tele-Communications	4,008	128.9
344	313	Pillsbury	3,980	3.4
345	314	No Indiana Pub Svc	3,943	2.9
346	345	Scott Paper	3,939	12.0
347	326	TRW	3,909	4.7
348	282	Williams Cos	3,908	–9.9
349	451	Merchants National	3,902	51.5
350	■	Lomas & Nettleton	3,885	97.8
351	362	Sara Lee	3,884	15.4
352	379	First Virginia Banks	3,881	23.4
353	330	Old Stone	3,876	4.6
354	324	American Natl Ins	3,875	3.7
355	484	Commerce Union	3,875	24.4
356	353	Abbott Laboratories	3,866	11.5
357	309	American Medical	3,862	–0.3
358	340	American Savings	3,833	6.1
359	319	Consol Natural Gas	3,826	0.7
360	■	Coca-Cola Enterpr	3,811	388.9
361	332	New England Electric	3,810	3.4
362	339	Jefferson-Pilot	3,803	5.2
363	336	Archer-Daniels	3,800	4.0
364	467	Monarch Capital	3,795	52.6
365	373	Central Bancshares	3,777	16.6
366	306	Ashland Oil	3,767	–4.5
367	386	No'western Natl Life	3,765	21.7
368	337	Reynolds Metals	3,709	1.7
369	349	Kimberly-Clark	3,676	4.9
370	366	USLife	3,669	10.3
371	359	American Cyanamid	3,667	–7.7
372	399	CPC International	3,651	21.0
373	320	First Commerce	3,650	3.7
374	346	American Stores	3,645	3.7
375	321	Revlon Group	3,620	1.6
376	372	First Hawaiian	3,610	11.4
377	396	Ethyl	3,592	18.8
378	350	Florida Progress	3,590	2.7
379	406	Borden	3,582	22.2
380	394	Western Capital Inv	3,564	17.6
381	357	Raytheon	3,556	3.3
382	393	Horizon Bancorp	3,552	17.2
383	318	Banks of Mid-America	3,543	–6.8
384	370	Boise Cascade	3,534	8.1
385	270	Diamond Shamrock	3,517	–23.8
386	428	Fifth Third Bancorp	3,492	26.5
387	■	Commercial Federal	3,444	20.1
388	325	Southland	3,421	–8.4
389	354	Moore Financial	3,412	–1.4
390	352	Cullen/Frost Bankers	3,410	–1.8
391	338	Cooper Industries	3,400	–6.5
392	348	CBS	3,370	–4.0
393	425	Trans World Airlines	3,370	21.7
394	368	Pennzoil	3,369	2.1
395	395	Walt Disney	3,368	11.3
396	497	Gannett	3,366	45.5
397	421	Bank South	3,357	20.4
398	409	National Bcshs Texas	3,340	16.1
399	388	Texas Instruments	3,337	–8.5
400	269	Halliburton	3,329	–28.6
401	383	National Medical	3,310	6.2
402	■	American Family	3,302	454
403	420	Farm & Home Saving	3,301	17.9
404	378	Zions Utah Bancorp	3,297	3.7
405	341	Sonat	3,288	–7.9
406	■	Puget Sound Bancorp	3,286	193.5
407	426	Branch Corp	3,281	18.6
408	380	Citadel Holding	3,274	1.3
409	407	Sumitomo Bank Cal	3,271	12.3
410	408	HJ Heinz	3,270	13.7
411	411	Deposit Guaranty	3,241	13.2
412	365	Enserch	3,234	–3.7
413	390	Pennbancorp	3,230	5.0
414	387	San Diego G&E	3,227	4.6
415	■	Warner Comm	3,223	41.0
416	371	Kaiser Alum & Chem	3,218	1.3
417	316	United Missouri Bcsh	3,203	–13.9
418	443	Farmers Group	3,197	20.5
419	■	Southmark	3,173	809
420	397	Potomac Electric	3,167	4.9
421	468	City National	3,142	27.0
422	463	Union National	3,139	25.1
423	■	Rochester Community	3,138	8.2
424	398	Utah Power & Light	3,125	3.5
425	436	Dun & Bradstreet	3,118	16.6
426	331	Kerr-McGee	3,090	–16.3
427	382	Dresser Industries	3,083	1.3
428	403	Cincinnati G&E	3,066	3.1
429	452	Mercantile Bkshs	3,055	19.0
430	427	First Citizens Bcshs	3,032	9.7
431	474	Far West Financial	3,030	24.9
432	■	Triangle Industries	3,028	104.9
433	416	Eaton	3,025	7.5
434	250	Panhandle Eastern	3,024	–39.8
435	423	Schering-Plough	3,001	8.2
436	414	Humana	2,968	4.8
437	375	U S Trust	2,959	–7.6
438	464	Society for Savings	2,948	17.6
439	429	Campbell Soup	2,941	7.0
440	410	Penn Central	2,933	2.0
441	431	Times Mirror	2,929	8.5
442	456	First Empire State	2,919	14.6
443	402	Public Service Colo	2,918	–2.6
444	440	Hercules	2,914	9.6
445	■	National Distillers	2,904	43.8
446	461	Centel	2,888	14.6
447	■	Quaker Oats	2,888	61.2
448	462	Whitney Holding	2,887	15.0
449	444	North Amer Philips	2,886	9.2
450	413	Guarantee Financial	2,874	0.5
451	415	Borg-Warner	2,853	1.1
452	439	FW Woolworth	2,850	12.4
453	417	Colgate-Palmoliv	2,846	1.1
454	500	Life Investors	2,841	24.0
455	405	Colorado Natl Bkshs	2,838	–3.7
456	485	Northeast Bancorp	2,824	18.2
457	419	Jim Walter	2,811	0.2
458	■	Waste Management	2,795	23.6
459	495	Wilmington Trust	2,778	19.3
460	455	Wisconsin Energy	2,777	8.9
461	400	Public Service NM	2,756	–8.5
462	434	Union Camp	2,751	3.4
463	■	Natl Community Bk	2,750	35.1
464	■	Mead	2,721	21.2
465	430	Wang Laboratories	2,716	4.8
466	488	Geico	2,715	14.2
467	437	Public Service NH	2,708	1.7
468	441	Kansas City P&L	2,702	1.8
469	■	Apple Bank	2,699	52.8
470	494	Northrop	2,699	15.7
471	486	First Columbia Finl	2,696	12.9
472	479	Great Lakes Fedl S&L	2,691	11.9
473	433	FMC	2,686	0.2
474	489	BancOklahoma	2,674	14.1
475	482	Firestone	2,671	11.3
476	489	Upjohn	2,665	12.1
477	465	Valley Federal S&L	2,662	6.5
478	■	MCA	2,658	17.9
479	447	Dauphin Deposit	2,654	2.2
480	453	Fourth Financial	2,644	3.1
481	435	Air Prods & Chems	2,641	–1.7
482	■	Old Republic Intl	2,628	25.9
483	454	Affiliated Bkshs Colo	2,620	2.7
484	■	Liberty National	2,600	21.1
485	146	Control Data	2,595	–69.7
486	466	PHH Group	2,589	4.0
487	473	Tribune	2,589	5.8
488	491	Sunwest Financial	2,589	9.7
489	457	Scana	2,575	1.2
490	475	Gillette	2,540	4.7
491	369	Armco	2,528	–23.2
492	445	Inland Steel Inds	2,527	–4.0
493	477	So N England Telecom	2,525	4.2
494	476	Dana	2,525	4.2
495	492	Warner-Lambert	2,516	6.7
496	483	Manville	2,513	5.0
497	499	First Capital	2,510	9.2
498	■	Oklahoma G&E	2,500	9.9
499	435	Fluor	2,489	–7.1
500	■	BanPonce	2,489	17.0

■ Not on 500 list in 1985

The Forbes Market Value 500

The bull market pushed the combined market value of this 500 list to $1.8 trillion.

BLUE CHIPS DID WELL last year. As of Dec. 31, 1986 the combined market value of the U.S.' 500 most valuable companies, measured by common stock in public hands, was $1.8 trillion, up 14.3% from the previous year. That's better than the 12.5% gain in the Wilshire 5000 index of stock price performance.

Rank 1986	Rank 1985	Company	Market value ($mil)	Change over 1985 %
1	1	**IBM**	72,711	–24.0
2	2	**Exxon**	50,329	25.0
3	3	**General Electric**	39,207	18.2
4	4	**American Tel & Tel**	26,800	0.2
5	5	**General Motors**	20,932	–5.9

There are several reasons why The Forbes Market Value 500 total had a larger gain than the average share of stock. One is that large companies have been doing better than small ones, and there are a lot of small ones that last year were holding back performance of the Wilshire 5000. Another is that mergers can boost the 500s total when they are paid for with stock. Wells Fargo shot up from $1.3 billion to $2.7 billion in part because it issued more shares to buy Crocker National Bank.

Many mergers, of course, have a reverse effect on the combined market value of outstanding stock. When GE bought RCA last year, it took RCA's common out of circulation but didn't issue more of its own shares. The elimination of RCA ($5.4 billion in last year's ranking) created a vacuum filled this year by Millipore (number 500 with only $888 million in market value).

Also affecting the market value total is the fad for share buybacks, which continues despite rising share prices. Repurchases were done to fend off takeover artists or to boost per-share profits. IBM bought back $1.5 billion worth of its stock, Exxon, $800 million, American Express, $860 million. All told, mergers and share repurchases took $131 billion out of the equity market last year, Salomon Brothers estimates. Only $65 billion returned via sales of new shares.

Merck, Digital Equipment and Minnesota Mining & Manufacturing moved into the top 20 this year. The loss of Beatrice, which went private, removed some $5 billion in capitalization from the Market Value 500.

To be consistent with the three other rankings—by sales, profits and assets—this list uses market values on Dec. 31, 1986. For current stock prices, see The Forbes 500s on Wall Street beginning on page 232.

Winners

The largest increase in market value

Rank 1986	Rank 1985	Company	Market value ($mil)	Change over 1985 %
367	■	**Texas Air**	1,267	322.8
285	■	**Tyson Foods**	1,743	197.9
139	361	**Genentech**	3,270	185.6
382	■	**Reebok International**	1,235	176.0
489	■	**Seagate Technology**	908	165.9

■ Not on 500 list in 1985

Losers

The largest decrease in market value

Rank 1986	Rank 1985	Company	Market value ($mil)	Change over 1985 %
468	217	**Intergraph**	959	–52.6
168	74	**Union Carbide**	2,873	–40.0
272	133	**Humana**	1,864	–38.8
279	161	**MCI Communication**	1,781	–32.8
270	149	**Wang Laboratories**	1,876	–31.9

The Forbes Market Value 500

Rank 1986	Rank 1985	Company	Market value ($mil)	Change over 1985 %
6	6	El du Pont	20,158	23.4
7	8	BellSouth	18,365	22.8
8	20	Philip Morris Cos	17,096	62.1
9	26	Merck	16,897	75.8
10	7	Amoco	16,684	4.2
11	11	Mobil	16,400	32.8
12	10	Chevron	15,523	19.0
13	16	Eastman Kodak	15,497	35.6
14	9	Sears, Roebuck	14,970	5.4
15	18	Ford Motor	14,661	39.8
16	17	Coca-Cola	14,534	33.7
17	39	Digital Equipment	13,603	71.0
18	19	Bell Atlantic	13,431	26.3
19	22	Minn Mining & Mfg	13,326	29.6
20	31	Wal-Mart Stores	13,122	46.5
21	23	Nynex	12,998	31.5
22	13	Procter & Gamble	12,866	10.0
23	24	GTE	12,841	31.8
24	21	Ameritech	12,607	21.6
25	40	RJR Nabisco	12,332	56.9
26	12	American Express	12,190	3.6
27	29	Bristol-Myers	11,817	29.2
28	14	Standard Oil	11,589	-0.9
29	30	Pacific Telesis	11,463	26.2
30	27	American Home Prod	11,400	20.2
31	25	Johnson & Johnson	11,343	17.9
32	32	Southwestern Bell	11,221	31.7
33	41	Dow Chemical	11,189	43.5
34	28	Hewlett-Packard	10,751	13.6
35	15	Atlantic Richfield	10,651	-7.1
36	36	Abbott Laboratories	10,441	27.7
37	42	Eli Lilly	10,325	32.8
38	33	US West	10,259	21.1
39	34	Pfizer	10,065	21.3
40	37	American Intl Group	9,976	22.8
41	46	Pacific G&E	8,927	32.3
42	43	Texaco	8,692	21.3
43	50	Dun & Bradstreet	7,999	25.6
44	45	Westinghouse	7,942	16.0
45	38	Boeing	7,929	-2.2
46	44	McDonald's	7,704	11.2
47	68	ITT	7,544	41.3
48	60	Southern Calif Edison	7,348	27.4
49	64	JP Morgan	7,341	31.0
50	48	Citicorp	7,294	14.2
51	52	Southern Company	7,230	20.8
52	57	Anheuser-Busch Cos	7,024	20.0
53	35	Allied-Signal	6,996	-14.6
54	62	Commonwealth Ed	6,868	20.1
55	49	PepsiCo	6,768	6.1
56	51	Kraft	6,678	6.4
57	54	Union Pacific	6,535	10.5
58	67	Rockwell Intl	6,399	19.8
59	86	Kellogg	6,394	49.2
60	55	Aetna Life & Cas	6,349	7.5
61	56	Emerson Electric	6,084	3.3
62	58	SmithKline Beckman	6,049	3.5
63	66	United Technologies	6,001	11.6
64	99	Limited	5,993	60.0
65	105	Waste Management	5,981	65.1
66	102	Monsanto	5,941	62.1
67	87	Squibb	5,900	37.9
68	61	Xerox	5,859	1.7
69	82	K mart	5,853	31.4
70	63	Sun Company	5,849	4.1
71	47	Salomon	5,834	-9.5
72	72	Gannett	5,826	18.5
73	90	Upjohn	5,822	40.6
74	73	General Re	5,707	17.4
75	103	Walt Disney	5,641	54.3
76	59	Tenneco	5,619	-3.7
77	75	Consolidated Edison	5,585	16.9
78	118	USX	5,574	69.7
79	88	Public Svc Enterprises	5,429	30.3
80	157	May Dept Stores	5,422	102.6
81	91	JC Penney	5,406	30.7
82	76	Chrysler	5,345	13.2
83	70	Norfolk Southern	5,333	4.2
84	80	American Electric	5,322	16.4
85	85	HJ Heinz	5,289	22.3
86	108	Ralston Purina	5,236	46.1
87	89	Raytheon	4,982	19.6
88	94	Weyerhaeuser	4,929	23.4
89	134	American General	4,713	55.1
90	83	Loews	4,710	6.0
91	106	American Brands	4,669	29.4
92	53	Santa Fe Southern	4,650	-21.4
93	137	Schering-Plough	4,620	53.6
94	109	Duke Power	4,581	28.0
95	78	Motorola	4,567	-1.5
96	111	Occidental Petroleum	4,530	31.6
97	93	Texas Utilities	4,498	9.1
98	139	Marsh & McLennan	4,488	50.0
99	79	CSX	4,486	-2.7
100	84	Travelers	4,452	1.7
101	136	PPG Industries	4,351	43.9
102	77	Cigna	4,324	-7.1
103	142	Capital Cities/ABC	4,324	48.2
104	129	Philadelphia Electric	4,278	38.6
105	96	Time Inc	4,220	8.2
106	107	Warner-Lambert	4,210	17.1
107	116	Baxter Travenol Labs	4,165	25.2
108	120	Dominion Resources	4,158	28.9
109	95	NCR	4,147	5.2
110	81	Dayton-Hudson	4,138	-7.2
111	112	FPL Group	4,112	20.3
112	100	Times Mirror	4,093	10.2
113	115	Goodyear	4,065	20.3
114	152	Georgia-Pacific	3,972	45.2
115	135	Houston Industries	3,966	30.5
116	92	Caterpillar	3,966	-4.0
117	110	Merrill Lynch	3,951	12.8
118	71	Burlington Northern	3,929	-21.8
119	176	International Paper	3,927	61.5
120	97	AMP	3,905	0.5
121	127	Gulf & Western	3,894	25.7
122	119	Federated Dept Stores	3,883	19.4
123	104	Tandy	3,824	5.1
124	146	General Mills	3,803	33.5
125	169	Masco	3,795	46.6
126	145	Marriott	3,788	32.6
127	132	Dow Jones	3,773	23.9
128	123	Campbell Soup	3,699	15.9
129	143	Unisys	3,692	27.9
130	130	Kimberly-Clark	3,671	19.6
131	155	American Cyanamid	3,581	32.8
132	144	Toys "R" Us	3,579	24.4
133	150	Sara Lee	3,577	29.8
134	98	Teledyne	3,530	-8.8
135	162	Borden	3,451	30.2
136	122	Lockheed	3,288	2.6
137	173	CPC International	3,272	31.9
138	196	Browning-Ferris Inds	3,271	46.6
139	361	Genentech	3,270	185.6
140	208	Borg-Warner	3,268	53.0
141	166	Central & South West	3,246	24.6
142	148	Berkshire Hathaway	3,235	16.0
143	131	Federal Express	3,234	5.7
144	171	Bankers Trust NY	3,175	26.4
145	191	Quaker Oats	3,159	39.7
146	174	AMR	3,150	29.8
147	126	Unocal	3,097	-0.9
148	117	Fort Howard Paper	3,096	-6.0
149	185	Carolina Power & Lt	3,095	34.3
150	■	Centerior Energy	3,076	NC
151	160	Texas Instruments	3,021	13.8
152	159	Archer-Daniels	3,016	13.2
153	240	Fedl Natl Mortgage	3,006	59.4
154	223	Deluxe Check	3,006	50.3
155	154	CBS	2,988	10.0
156	124	Alcoa	2,949	-5.9
157	201	Union Electric	2,936	34.5
158	153	Melville	2,929	7.3
159	192	Ohio Edison	2,921	30.1
160	158	Pillsbury	2,920	9.5
161	224	New York Times	2,911	46.9
162	141	General Dynamics	2,908	-0.4
163	101	MCA	2,908	-21.2
164	183	Champion Intl	2,897	25.4
165	138	McDonnell Douglas	2,890	-3.5
166	230	Pacific Lighting	2,889	48.2
167	147	Chase Manhattan	2,880	2.8
168	74	Union Carbide	2,873	-40.0
169	182	Colgate-Palmolive	2,862	23.7
170	204	Gillette	2,830	31.7

■ Not on 500 list in 1985 NC Not comparable

The Forbes Market Value 500

Rank 1986	Rank 1985	Company	Market value ($mil)	Change over 1985 %
171	258	Marion Laboratories	2,824	66.7
172	243	Pitney Bowes	2,821	54.0
173	184	Warner Comm	2,807	21.7
174	323	James River Corp Va	2,788	107.9
175	164	Pennzoil	2,775	5.0
176	207	Hercules	2,772	29.5
177	178	McGraw-Hill	2,760	14.1
178	168	Continental Corp	2,737	5.6
179	324	Wells Fargo	2,723	103.3
180	205	Pennsylvania P&L	2,720	27.0
181	195	Sterling Drug	2,718	21.5
182	172	USF&G	2,709	8.8
183	210	Consol Natural Gas	2,699	28.6
184	114	Honeywell	2,698	-20.5
185	202	Middle South Utils	2,685	23.5
186	151	Phillips Petroleum	2,683	-2.6
187	175	Security Pacific	2,681	9.9
188	180	Farmers Group	2,673	13.8
189	193	Knight-Ridder	2,667	18.8
190	226	Baltimore G&E	2,664	35.5
191	247	First Union	2,657	50.5
192	235	Northeast Utilities	2,635	38.4
193	250	UAL	2,621	49.4
194	206	Automatic Data	2,601	21.5
195	279	Ryder System	2,588	62.2
196	235	SunTrust Banks	2,583	35.7
197	225	IC Industries	2,582	31.3
198	140	Halliburton	2,582	-13.6
199	317	Apple Computer	2,541	85.5
200	233	FW Woolworth	2,527	31.6
201	289	Student Loan	2,521	65.2
202	187	United Telecom	2,513	10.3
203	212	Kroger	2,511	20.1
204	245	Whirlpool	2,511	38.7
205	234	Textron	2,510	31.1
206	232	Union Camp	2,503	28.7
207	170	TRW	2,489	-2.6
208	128	Hospital Corp	2,486	-19.6
209	■	Henley Group	2,477	NA
210	113	Intel	2,473	-27.2
211	228	Cray Research	2,449	25.4
212	186	First Interstate Bncp	2,445	6.3
213	163	Corning Glass Works	2,442	-7.8
214	213	PacifiCorp	2,434	18.2
215	181	Detroit Edison	2,421	4.0
216	248	Rohm & Haas	2,406	36.7
217	177	RR Donnelley	2,386	-1.8
218	197	Transamerica	2,371	6.6
219	256	Ethyl	2,366	38.3
220	282	Delta Air Lines	2,336	49.3
221	215	Fireman's Fund	2,327	13.9
222	254	Chubb	2,302	33.1
223	270	Potomac Electric	2,296	40.9
224	242	Scott Paper	2,285	24.3
225	219	Genuine Parts	2,285	12.6
226	211	Southland	2,273	8.6
227	220	AZP Group	2,272	12.2
228	179	BankAmerica	2,266	-5.5
229	189	Tribune	2,256	-0.3
230	263	Allegheny Power	2,251	35.2
231	273	American Can	2,249	39.6
232	251	Tele-Communication	2,236	31.2
233	271	Hershey Foods	2,221	37.6
234	238	Contel	2,177	15.0
235	266	No States Power	2,158	30.2
236	209	Eaton	2,156	2.4
237	318	HF Ahmanson	2,138	56.3
238	167	Niagara Mohawk Pwr	2,130	-18.2
239	227	Martin Marietta	2,122	8.4
240	198	Chemical New York	2,115	-4.7
241	309	Gt Western Financial	2,095	50.7
242	272	VF	2,086	29.3
243	298	Banc One	2,081	39.6
244	264	PNC Financial	2,061	23.9
245	214	Penn Central	2,061	0.8
246	325	Polaroid	2,059	53.8
247	199	Lincoln National	2,053	-7.3
248	165	WR Grace	2,041	-22.7
249	337	Becton Dickinson	2,009	58.9
250	237	Cooper Industries	2,003	5.8
251	291	Washington Post	2,001	31.4
252	■	Coca-Cola Enterpr	1,995	NA
253	239	Air Prods & Chems	1,995	5.6
254	398	Maytag	1,992	18.4
255	255	Walgreen	1,991	15.1
256	268	USG	1,979	20.7
257	190	Amerada Hess	1,973	-12.8
258	302	Florida Progress	1,970	36.6
259	358	Food Lion	1,966	69.8
260	244	First Wachovia	1,953	7.7
261	203	Household Intl	1,937	-10.7
262	295	Illinois Power	1,927	28.5
263	278	Columbia Gas System	1,924	20.2
264	188	Litton Industries	1,910	-15.8
265	308	ConAgra	1,901	34.9
266	231	Mfrs Hanover	1,896	-2.7
267	281	Winn-Dixie Stores	1,894	20.6
268	293	San Diego G&E	1,892	25.5
269	200	Avon Products	1,885	-13.9
270	149	Wang Laboratories	1,876	-31.9
271	304	Newmont Mining	1,872	31.0
272	133	Humana	1,864	-38.8
273	277	St Paul Cos	1,861	16.2
274	404	Liz Claiborne	1,850	77.8
275	216	Northrop	1,829	-10.5
276	395	Ashland Oil	1,820	70.9
277	265	Super Valu Stores	1,807	8.7
278	283	Safeco	1,805	15.7
279	161	MCI Communication	1,781	-32.8
280	342	Rubbermaid	1,776	42.3
281	347	Westvaco	1,766	44.6
282	221	Enron	1,754	-12.7
283	253	Morton Thiokol	1,753	1.2
284	328	Wisconsin Energy	1,752	32.4
285	■	Tyson Foods	1,743	197.9
286	335	Boise Cascade	1,741	36.9
287	262	Combined Intl	1,736	4.3
288	397	Gt Northern Nekoosa	1,720	62.5
289	267	NCNB	1,714	3.7
290	218	American Stores	1,711	-15.8
291	313	Mead	1,710	24.0
292	285	NY State E&G	1,696	9.7
293	346	Bank of Boston	1,695	38.4
294	284	Torchmark	1,694	9.2
295	462	Nordstrom	1,690	90.1
296	249	National Medical	1,681	-4.2
297	275	Hilton Hotels	1,672	4.0
298	296	Holiday	1,663	11.0
299	301	Barnett Banks Fla	1,656	14.5
300	292	GenCorp	1,653	9.2
301	319	So N England Telecom	1,649	21.2
302	286	Geico	1,647	6.9
303	331	Centel	1,617	23.7
304	■	Morgan Stanley	1,614	NA
305	469	Republic New York	1,606	82.8
306	276	Price Co	1,601	-0.1
307	306	Utah Power & Light	1,597	12.6
308	■	Home Shopping	1,595	NA
309	357	Oklahoma G&E	1,571	35.6
310	288	First Chicago	1,568	2.7
311	303	Dana	1,556	8.7
312	229	Deere	1,553	-20.4
313	299	Capital Holding	1,549	4.0
314	330	New England Electric	1,523	15.4
315	307	Mellon Bank	1,523	7.8
316	448	Tandem Computers	1,518	64.0
317	305	Dover	1,509	6.1
318	338	Kemper	1,509	19.7
319	332	General Cinema	1,506	17.4
320	428	Jim Walter	1,501	53.5
321	454	Brunswick	1,500	63.7
322	426	LIN Broadcasting	1,476	50.2
323	364	Scana	1,476	31.4
324	312	Dresser Industries	1,466	6.1
325	419	NWA	1,457	45.5
326	381	Citizens & Southern	1,455	33.3
327	257	Panhandle Eastern	1,454	-14.5
328	373	Bank of New England	1,451	31.0
329	241	Texas Eastern	1,448	-22.4
330	354	First Bank System	1,448	24.6
331	385	Albertson's	1,436	32.9
332	496	Sovran Financial	1,424	6.4
333	290	American Standard	1,423	-6.6
334	408	Tucson Electric	1,423	38.6
335	392	General Public Utils	1,422	33.1

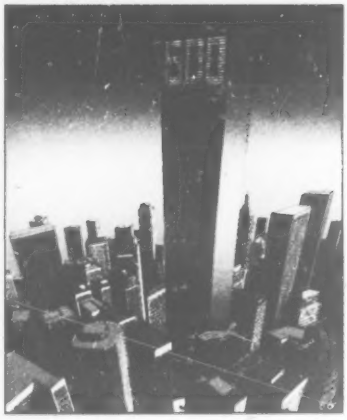
■ Not on 500 list in 1985. SOURCE: FORBES

The Forbes Market Value 500

Rank 1986	Rank 1985	Company	Market value ($mil)	Change over 1985 %
336	390	Armstrong World Ind	1,420	32.6
337	360	Mercantile Stores	1,411	22.6
338	363	Viacom International	1,403	24.8
339	435	CoreStates Financial	1,401	45.4
340	300	Intl Flavors & Frags	1,400	-5.5
341	252	Zayre	1,399	-19.3
342	399	Temple-Inland	1,390	31.7
343	310	Roadway Services	1,386	-0.1
344	■	Consumers Power	1,375	108.2
345	366	Public Service NM	1,363	21.7
346	311	Jefferson-Pilot	1,361	-1.9
347	260	Kerr-McGee	1,360	-19.5
348	336	Clorox	1,352	0.9
349	269	Diamond Shamrock	1,344	-18.0
350	344	Square D	1,343	8.9
351	■	UNUM Corp	1,343	NA
352	427	Sysco	1,335	36.2
353	391	McKesson	1,334	24.7
354	468	Illinois Tool Works	1,329	50.7
355	341	First Boston	1,329	6.3
356	418	Portland General	1,325	31.7
357	409	Vulcan Materials	1,317	28.3
358	369	Tektronix	1,313	17.8
359	388	National Distillers	1,306	21.9
360	403	GAF	1,305	25.3
361	429	TECO Energy	1,301	33.3
362	421	Brown-Forman	1,297	30.4
363	■	Telerate	1,295	71.3
364	259	American Medical	1,281	-24.2
365	326	General Signal	1,269	-4.7
366	393	Southwestern Pub Svc	1,268	18.7
367	■	Texas Air	1,267	322.8
368	■	Alexander & Baldwin	1,262	58.8
369	■	Gap	1,262	129.1
370	■	Mapco	1,261	55.9
371	386	Beneficial Corp	1,258	15.1
372	371	WW Grainger	1,257	13.3
373	■	Microsoft	1,254	NA
374	378	Bear Stearns Cos	1,254	14.7
375	■	National City	1,251	78.2
376	370	Lubrizol	1,250	12.6
377	365	Petrie Stores	1,239	10.1
378	■	Affiliated Pubs	1,239	89.5
379	431	US Tobacco	1,238	27.8
380	382	EF Hutton Group	1,236	14.0
381	376	Harris Corp	1,235	12.6
382	■	Reebok International	1,235	176.0
383	420	Tambrands	1,227	22.8
384	362	Homestake Mining	1,226	7.3
385	383	Dreyfus	1,226	13.1
386	294	Greyhound	1,223	-18.6
387	351	Freeport-McMoRan	1,219	1.5
388	394	Rite Aid	1,218	14.1
389	413	Sherwin-Williams	1,218	19.5
390	387	North Amer Philips	1,203	11.8
391	430	Cincinnati G&E	1,196	23.1
392	■	Fleet Financial	1,196	69.8
393	377	American Natl Ins	1,184	8.3
394	379	Dillard Dept Stores	1,179	7.9
395	438	Bausch & Lomb	1,177	22.8
396	422	Bank of New York	1,166	17.6
397	389	Parker-Hannifin	1,164	8.7
398	261	FMC	1,160	-31.1
399	412	Consol Freightways	1,158	13.6
400	437	H&R Block	1,154	20.3
401	425	NBD Bancorp	1,153	17.2
402	■	Amdahl	1,146	65.0
403	315	Perkin-Elmer	1,145	-16.7
404	457	Burlington Inds	1,133	24.7
405	339	Weis Markets	1,131	-9.8
406	■	Louisiana-Pacific	1,129	43.0
407	■	Navistar Intl	1,125	109.0
408	463	Long Island Lighting	1,125	26.6
409	353	Consolidated Papers	1,122	-3.7
410	396	Ingersoll-Rand	1,118	5.1
411	447	Norwest	1,116	20.0
412	■	Service Corp Intl	1,110	39.6
413	327	Alexander & Alex	1,108	16.5
414	464	Commerce Clearing	1,098	23.9
415	465	Arkla	1,098	23.9
416	440	National Service	1,096	15.2
417	■	Prime Motor Inns	1,095	35.8
418	471	First Executive	1,092	24.7
419	432	Golden West Finl	1,090	12.8
420	486	Control Data	1,090	28.7
421	460	Stanley Works	1,085	21.8
422	451	Johnson Controls	1,082	17.5
423	■	Medtronic	1,078	72.4
424	401	Nalco Chemical	1,075	2.6
425	441	Firestone	1,074	13.6
426	452	Puget Sound P&L	1,074	16.9
427	484	Harcourt Brace	1,069	26.0
428	352	Coastal Corp	1,066	-9.4
429	■	Commercial Credit	1,059	NA
430	494	DPL	1,058	26.3
431	■	CR Bard	1,058	59.1
432	479	Snap-on Tools	1,057	23.3
433	322	Transco Energy	1,056	-21.4
434	499	Yellow Freight Sys	1,056	27.5
435	■	Taft Broadcasting	1,054	35.0
436	314	Sonat	1,052	-23.5
437	416	Interco	1,052	4.0
438	498	American Family	1,045	26.2
439	■	Anadarko Petroleum	1,038	NA
440	384	Raychem	1,035	-4.3
441	■	Willamette Inds	1,035	31.9
442	490	ICH	1,032	22.4
443	436	Lowe's Cos	1,030	7.4
444	493	Hasbro	1,027	22.6
445	442	Crown Cork & Seal	1,027	8.8
446	334	Lucky Stores	1,023	-19.8
447	410	Combustion Eng	1,023	-0.3
448	375	Beverly Enterprises	1,022	-7.4
449	466	Shared Medical Sys	1,019	15.4
450	483	Delmarva Power & Lt	1,006	18.4
451	458	Emhart	1,000	11.1
452	415	Sundstrand	999	-1.8
453	■	Charming Shoppes	997	71.7
454	■	Hartford National	991	47.2
455	■	BF Goodrich	988	32.5
456	439	USAir Group	988	6.8
457	■	IMS International	984	53.6
458	374	Public Service Colo	982	-11.1
459	473	Telex	979	13.0
460	■	Rouse	979	20.1
461	333	Wendy's Intl	978	-23.4
462	367	Natl Semiconductor	971	-13.3
463	■	First Fidelity Bncp	970	23.2
464	■	Pall	969	18.5
465	487	Macmillan	969	14.6
466	■	Wm Wrigley Jr	967	47.7
467	■	Carter Hawley Hale	962	71.8
468	217	Intergraph	959	-52.6
469	■	Central Ill Pub Svc	957	40.9
470	■	PaineWebber Group	954	32.3
471	■	Boston Edison	950	27.8
472	380	Black & Decker	945	-13.5
473	444	Subaru of America	943	0.1
474	■	Molex	941	28.0
475	■	Echlin	941	56.6
476	■	Kansas Power & Light	940	36.8
477	■	Kansas Gas & Elec	933	63.2
478	423	Norstar Bancorp	931	-5.8
479	■	Stone Container	927	76.5
480	467	Cincinnati Financial	926	4.9
481	343	Enserch	925	-25.8
482	443	US Shoe	921	-2.4
483	424	Provident Life & Acc	920	-6.6
484	476	Loral	920	6.9
485	348	Avnet	917	-24.6
486	481	Community Psych	916	7.4
487	345	Fluor	911	25.8
488	461	E-Systems	909	2.1
489	■	Seagate Technology	908	165.9
490	■	Castle & Cook	907	69.6
491	■	Hillenbrand Inds	906	74.3
492	■	Ipalco Enterprises	906	28.2
493	491	Shoney's	903	7.2
494	446	AMAX	899	-3.7
495	455	Supermarkets General	896	-1.5
496	355	Duquesne Light	896	-22.9
497	■	Bowater	895	24.2
498	497	Great A&P Tea	894	7.9
499	■	Idaho Power	892	14.5
500	■	Millipore	888	40.9

■ Not on 1985 list. NA: Not available.

The Forbes 500s–Jobs and Productivity



Continued cutbacks in employment are making the largest companies more productive. How productive? This report shows the sales and profits per employee.

THIS NEW INDUSTRY-BY-INDUSTRY report ranks all Forbes 500s corporations on profits per employee. Here's how to find a firm. First check the address tables beginning on page 278. The first industry group listed for a company in the address table tells where to find a particular firm in the productivity report. For instance, the principal industry shown for Pillsbury *(p. 314)* is "Food processor–branded foods."

Our data show that Pillsbury is way behind Kellogg, the profits-per-employee leader in branded foods. Each of the 17,200 employees who work for Kellogg accounts for over $193,900 in sales. More important, the Battle Creek, Mich. cereal manufacturer earns $18,500 for each person on staff, well above that of its competitors. For branded food companies the weighted average profits per employee is $5,300.

The biggest employers

Worldwide employment is up slightly at four of the five largest U.S.-based corporate employers.

Rank 1986	Rank 1985	Company	Employees (000)	Change over 1985
1	1	General Motors	876.0	8.0%
2	2	Sears, Roebuck	475.7	3.0
3	3	IBM	404.5	1.1
4	4	Ford Motor	382.3	3.5
5	5	American Tel & Tel	327.3	-6.9

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
AEROSPACE & DEFENSE							
1	Loral	7.8	93.6	(8)	99.3	(2)	7.3
2	Singer	6.4	63.9	(17)	47.7	(13)	27.0
3	FMC	5.8	113.2	(4)	101.3	(1)	26.5
4	Boeing	5.6	137.9	(1)	93.4	(3)	118.5
5	Rockwell Intl	5.2	101.4	(7)	62.4	(8)	122.2
6	Lockheed	4.4	111.2	(5)	64.4	(7)	92.4
7	E-Systems	4.3	80.1	(13)	44.3	(15)	14.2
8	Allied-Signal	4.3	83.9	(11)	80.2	(5)	140.5
9	Martin Marietta	2.9	67.9	(16)	35.3	(17)	70.0
10	Sundstrand	2.8	89.3	(9)	87.2	(4)	16.1
11	McDonnell Douglas	2.7	124.9	(2)	78.0	(6)	101.4
12	TRW	2.5	70.3	(14)	45.5	(14)	85.9
13	Harris Corp	2.4	68.5	(15)	61.0	(9)	29.1
14	Grumman	2.4	105.2	(6)	60.1	(10)	32.7
15	Northrop	0.9	119.7	(3)	57.6	(12)	46.9
16	United Technologies	0.4	82.8	(12)	58.6	(11)	189.2
17	General Dynamics	-0.5	86.2	(10)	44.1	(16)	103.2
	Industry average	3.0	96.3		64.6		
AIR TRANSPORT-FREIGHT							
NA	Federal Express	-2.2	85.4	(NA)	66.6	(NA)	34.0
	Industry average	-2.2	85.4		66.6		
AIR TRANSPORT-PASSENGER							
1	USAir Group	6.8	127.6	(3)	149.3	(2)	14.4
2	AMR	5.2	113.1	(6)	141.5	(3)	53.2
3	Delta Air Lines	5.0	115.9	(4)	127.1	(4)	39.0
4	Piedmont Aviation	3.9	101.5	(8)	93.5	(9)	18.4
5	NWA	3.5	161.2	(1)	194.2	(1)	22.3
6	Texas Air	0.6	67.8	(9)	123.1	(5)	65.0
7	UAL	0.1	105.7	(7)	100.2	(7)	87.0
8	Trans World Airlines	-3.9	114.6	(5)	122.8	(6)	27.4
9	Pan Am	-20.1	131.7	(2)	95.1	(8)	23.1
	Industry average	0.6	107.6		122.8		
APPAREL MANUFACTURER							
1	Liz Claiborne	33.8	319.0	(1)	131.6	(1)	2.6
2	VF	3.2	37.7	(3)	44.7	(2)	41.0
3	Interco	2.1	54.2	(2)	37.4	(3)	47.0
	Industry average	3.5	54.3		43.4		
APPLIANCES							
1	Maytag	9.6	141.3	(2)	71.9	(2)	12.2
2	Whirlpool	7.1	142.0	(1)	78.0	(1)	28.2
3	Black & Decker	1.3	81.6	(4)	71.6	(3)	22.1
4	North Amer Philips	1.3	88.7	(3)	56.5	(4)	51.1
5	Zenith Electronics	-.3	54.1	(5)	35.3	(5)	35.0
	Industry average	2.7	93.9		59.1		
AUTOMOBILES & TRUCKS							
1	Subaru of America	100.1	2130.3	(1)	586.3	(1)	0.9
2	Chrysler	12.2	196.3	(4)	125.7	(3)	115.1
3	Ford Motor	8.6	164.1	(6)	98.6	(6)	382.3
4	Paccar	6.5	213.9	(2)	128.6	(2)	8.4

The Forbes 500s–Jobs and Productivity

Rank	Company	Per employee ($000) Profits	Sales (rank)	Assets (rank)	Employees (000)
5	General Motors	3.4	117.4 (8)	82.7 (8)	876.0
6	Navistar Intl	–0.5	211.9 (3)	111.7 (4)	15.9
7	Mack Trucks	–2.9	148.0 (7)	87.7 (7)	11.6
8	American Motors	–4.3	164.6 (5)	105.8 (5)	21.0
	Industry average	5.4	140.0	91.7	
AUTOMOTIVE PARTS					
1	Snap-on Tools	10.2	104.7 (3)	82.3 (3)	6.4
2	PPG Industries	8.7	128.4 (1)	127.2 (1)	36.5
3	Echlin	4.8	80.6 (6)	71.9 (4)	10.9
4	Colt Industries	4.7	84.8 (5)	60.1 (6)	19.1
5	Borg-Warner	2.5	40.9 (7)	34.5 (7)	82.6
6	Dana	2.3	98.3 (4)	67.2 (5)	37.6
7	Cummins Engine	–5.0	108.2 (2)	93.4 (2)	21.3
	Industry average	3.3	80.4	67.5	
BANKS-MID-ATLANTIC					
1	PNC Financial	25.4	210.9 (2)	2379.8 (2)	9.3
2	Wilmington Trust	21.5	166.5 (7)	1754.9 (6)	1.6
3	Corestates Financial	19.8	185.7 (5)	1949.4 (4)	7.5
4	Dauphin Deposit	19.2	164.9 (8)	1739.1 (7)	1.5
5	Riggs National	18.6	232.1 (1)	3257.0 (1)	1.9
6	Fidelcor	17.9	198.8 (3)	2208.1 (3)	5.2
7	Natl Community Bank	17.4	127.1 (22)	1695.2 (9)	1.6
8	Maryland National	16.0	171.7 (6)	1663.5 (10)	5.7
9	Mercantile Bkshs	16.0	119.1 (23)	1237.7 (24)	2.5
10	Midlantic	15.5	135.6 (20)	1630.8 (12)	7.3
11	Signet Banking	15.5	163.1 (9)	1701.7 (8)	5.6
12	Central Fidelity Bks	14.9	136.0 (19)	1481.2 (17)	2.8
13	United Virginia Bksh	14.1	148.2 (11)	1614.5 (14)	5.8
14	Sovran Financial	13.9	140.5 (17)	1405.5 (21)	10.6
15	Union National	13.9	149.7 (10)	1600.7 (15)	2.0
16	Pennbancorp	13.5	141.1 (16)	1455.5 (19)	2.2
17	Meridian Bancorp	13.3	141.1 (15)	1304.9 (22)	5.2
18	First Virginia Banks	13.2	110.1 (26)	1075.7 (26)	3.6
19	First Fidelity Bncp	13.0	131.6 (21)	1648.9 (11)	9.2
20	Equitable Bancorp	12.6	141.5 (14)	1466.9 (18)	2.9
21	Dominion Bankshares	12.3	145.7 (13)	1537.0 (16)	3.9
22	Horizon Bancorp	12.2	116.0 (24)	1248.6 (23)	2.8
23	First Jersey Natl	10.2	110.5 (25)	1194.7 (25)	3.7
24	Mellon Bank	9.9	187.7 (4)	1873.0 (5)	18.4
25	First Maryland Bncp	9.3	136.2 (18)	1412.8 (20)	3.9
26	First Pennsylvania	5.9	147.5 (12)	1625.5 (13)	3.6
	Industry average	14.6	158.4	1697.6	
BANKS-MULTINATIONAL					
1	JP Morgan	62.3	476.1 (1)	5426.7 (1)	14.0
2	Bankers Trust NY	39.6	455.6 (2)	5221.2 (2)	10.8
3	Chemical New York	19.8	269.8 (6)	2977.3 (4)	20.3
4	First Chicago	19.6	284.2 (3)	2780.4 (5)	14.1
5	Mfrs Hanover	13.2	249.6 (7)	2382.6 (7)	31.2
6	Irving Bank	12.9	194.5 (9)	2435.4 (6)	10.0
7	Chase Manhattan	12.5	201.4 (8)	2017.8 (9)	47.0
8	Citicorp	12.5	276.7 (4)	2310.1 (8)	84.9
9	Bank Of Boston	11.6	177.0 (10)	1702.3 (10)	20.0
10	Continental Illinois	10.5	272.8 (5)	3488.1 (3)	9.4
11	BankAmerica	–7.1	164.7 (11)	1421.4 (11)	73.3
	Industry average	11.9	244.6	2366.2	

Rank	Company	Per employee ($000) Profits	Sales (rank)	Assets (rank)	Employees (000)
BANKS-NORTH CENTRAL					
1	Fifth Third Bancorp	25.9	152.7 (16)	1638.7 (15)	2.1
2	Banc One	20.4	188.6 (3)	1773.0 (9)	9.8
3	First Bank System	20.4	293.9 (1)	2809.6 (1)	10.0
4	Fourth Financial	19.4	158.5 (10)	1686.5 (13)	1.6
5	Central Bancorp	18.7	153.1 (15)	1585.1 (18)	2.8
6	Old Kent Financial	18.6	158.9 (7)	1717.6 (12)	3.3
7	AmeriTrust	17.7	212.5 (2)	2577.5 (2)	5.0
8	Merchants National	16.5	186.8 (4)	2012.6 (4)	1.9
9	First National Cinc	16.4	157.6 (11)	1782.0 (8)	2.5
10	Deposit Guaranty	15.0	149.8 (17)	1563.5 (20)	2.1
11	National City	15.0	147.8 (20)	1571.7 (19)	9.0
12	Indiana National	14.7	157.0 (13)	1748.7 (11)	2.9
13	Manufacturers Natl	14.4	158.6 (9)	1948.6 (6)	4.2
14	NBD Bancorp	14.3	158.9 (8)	2083.8 (3)	10.2
15	Trustcorp	14.0	180.5 (5)	1829.9 (7)	2.3
16	Boatmen's Bancshares	13.9	148.3 (19)	1768.4 (10)	5.6
17	Huntington Bshs	13.7	148.8 (18)	1635.2 (16)	4.7
18	United Missouri Bcsh	13.5	118.0 (27)	1391.2 (26)	2.3
19	Society	13.1	139.1 (24)	1413.1 (24)	6.4
20	Marine	13.0	145.2 (22)	1510.5 (21)	2.7
21	Mercantile Bancorp	12.2	145.6 (21)	1453.9 (22)	4.5
22	Marshall & Ilsley	11.9	123.3 (26)	1300.9 (28)	4.6
23	Northern Trust	11.4	164.7 (6)	1975.3 (5)	4.6
24	Comerica	10.2	154.1 (14)	1642.1 (14)	6.1
25	First Of America Bk	9.8	102.4 (30)	1451.2 (23)	5.4
26	Commerce Bcshs	9.7	117.3 (28)	1317.1 (27)	4.0
27	First Wisconsin	9.1	115.1 (29)	1223.3 (29)	5.8
28	Centerre Bancorp	8.5	142.1 (23)	1605.6 (17)	3.5
29	Norwest	7.9	157.1 (12)	1398.7 (25)	15.4
30	Michigan National	7.9	126.1 (25)	1153.7 (30)	6.7
	Industry average	13.7	160.4	1708.3	
BANKS-NORTHEAST					
1	Republic New York	54.0	511.7 (1)	6350.9 (1)	2.8
2	Northeast Bancorp	22.0	168.6 (5)	1782.8 (6)	1.6
3	Bank Of New York	18.3	206.8 (2)	2447.9 (2)	8.5
4	Fleet Financial	17.8	157.2 (7)	1521.6 (10)	7.7
5	Hartford National	16.0	143.8 (10)	1945.5 (4)	7.1
6	US Trust	15.3	157.6 (6)	1515.1 (12)	2.0
7	State Street Boston	14.1	126.3 (15)	1418.1 (15)	5.1
8	Old Stone	13.9	200.0 (3)	1851.2 (5)	2.1
9	Norstar Bancorp	13.8	129.8 (14)	1469.4 (13)	7.6
10	United Jersey Banks	13.5	133.6 (12)	1516.2 (11)	5.3
11	Conifer Group	13.4	145.9 (9)	1528.9 (9)	2.8
12	First Empire State	13.0	134.3 (11)	1445.0 (14)	2.0
13	Shawmut	12.9	150.2 (8)	1749.7 (7)	6.1
14	Bank Of New England	12.2	130.4 (13)	1601.0 (8)	14.0
15	Marine Midland Banks	12.0	186.5 (4)	2060.5 (3)	12.0
16	Keycorp	11.1	110.9 (17)	1220.1 (17)	7.4
17	Baybanks	10.7	123.7 (16)	1391.7 (16)	5.5
	Industry average	15.0	159.9	1827.2	

The Forbes 500s–Jobs and Productivity

Rank	Company	Per employee ($000) Profits	Sales (rank)	Assets (rank)	Employees (000)
BANKS-SOUTH CENTRAL					
1	Hibernia	18.9	194.9 (4)	2295.8 (4)	1.9
2	First Capital	15.5	140.9 (13)	1652.2 (11)	1.5
3	Republicbank	6.5	226.9 (2)	2509.2 (2)	8.3
4	Texas Commerce Bcshs	2.4	190.3 (5)	2312.8 (3)	8.3
5	First Commerce	1.4	138.8 (14)	1445.7 (13)	2.5
6	Louisiana Bancshares	–1.9	142.7 (12)	1415.9 (14)	3.3
7	Cullen/Frost Bankers	–3.0	148.6 (10)	1555.5 (12)	2.2
8	Allied Bancshares	–5.1	270.3 (1)	2846.7 (1)	3.5
9	MCorp	–7.3	188.7 (7)	1940.0 (6)	11.3
10	National Bcshs Texas	–16.0	147.3 (11)	1667.6 (10)	2.0
11	Texas American Bcshs	–34.8	183.7 (6)	1808.9 (8)	3.3
12	InterFirst	–36.7	201.3 (3)	2022.9 (5)	8.9
13	First City Bancorp	–49.5	173.5 (9)	1683.2 (9)	8.1
14	BancOklahoma	–96.4	182.9 (8)	1849.4 (7)	1.4
	Industry average	–14.8	189.8	2014.9	
BANKS-SOUTHEAST					
1	Whitney Holding	28.1	228.9 (1)	2887.4 (1)	1.0
2	NCNB	18.0	207.8 (2)	2487.5 (2)	11.0
3	Commerce Union	16.8	154.0 (5)	1626.7 (7)	2.4
4	First Union	16.8	143.5 (8)	1521.8 (8)	17.6
5	Southtrust	15.9	135.0 (13)	1511.4 (9)	3.4
6	First American	15.6	154.5 (4)	1741.5 (5)	3.4
7	First Wachovia	15.3	136.6 (11)	1475.1 (11)	12.7
8	First Alabama Bcshs	14.6	107.9 (24)	1184.1 (22)	3.7
9	Liberty National	14.4	143.8 (7)	1650.9 (6)	1.6
10	Central Bancshares	14.2	137.8 (10)	1468.5 (13)	2.6
11	Amsouth Bancorp	14.2	121.8 (18)	1380.7 (15)	4.3
12	First Florida Banks	13.4	117.1 (20)	1379.2 (16)	3.5
13	Bank South	13.0	138.9 (9)	1501.9 (10)	2.2
14	SunTrust Banks	12.5	125.7 (17)	1335.5 (19)	19.6
15	BanPonce	12.3	114.5 (21)	1258.9 (21)	2.0
16	Citizens & Southern	12.2	130.5 (14)	1471.5 (12)	12.7
17	Southeast Banking	12.1	149.2 (6)	1744.4 (4)	7.1
18	First Tennessee Natl	11.5	127.3 (16)	1344.9 (18)	4.1
19	First Kentucky Natl	11.3	108.2 (23)	1160.8 (24)	4.4
20	Branch Corp	11.0	118.9 (19)	1282.7 (20)	2.6
21	Barnett Banks Fla	10.9	128.8 (15)	1361.5 (17)	14.9
22	South Carolina Natl	10.6	112.5 (22)	1147.5 (25)	4.1
23	Banco Popular PR	9.7	105.1 (25)	1171.7 (23)	3.9
24	Florida Natl Banks	7.3	136.5 (12)	1457.9 (14)	4.7
25	First Citizens Bcshs	6.6	83.3 (26)	859.6 (26)	3.5
26	Banks Of Mid-America	–27.4	170.8 (3)	1960.9 (3)	1.8
	Industry average	12.9	136.3	1500.7	
BANKS-WEST					
1	Puget Sound Bancorp	17.2	155.4 (5)	1522.5 (10)	2.2
2	Wells Fargo	14.9	215.8 (1)	2426.0 (1)	28.4
3	Sunwest Financial	14.2	131.7 (16)	1301.5 (15)	2.0
4	First Hawaiian	14.2	143.7 (11)	1665.8 (6)	2.2
5	City National	14.0	129.5 (17)	1474.9 (13)	2.1
6	Bancorp Hawaii	13.9	138.8 (13)	1527.8 (9)	3.3
7	US Bancorp	13.7	148.1 (7)	1688.3 (5)	5.6
8	Rainier Bancorp	12.5	147.9 (9)	1648.7 (7)	5.6
9	Security Pacific	11.9	183.8 (2)	1925.2 (3)	32.5
10	Zions Utah Bancorp	11.1	162.1 (4)	1774.5 (4)	1.9
11	First Interstate	9.5	147.9 (8)	1565.1 (8)	35.4
12	Sumitomo Bank Cal	8.9	180.3 (3)	1967.1 (2)	1.7
13	Valley National	8.9	145.7 (10)	1469.5 (14)	7.3
14	California First Bk	7.7	141.3 (12)	1509.2 (11)	4.0
15	United Banks Of Col	6.9	148.5 (6)	1478.3 (12)	3.3
16	Affiliated Bshs Colo	3.2	117.8 (18)	1164.5 (17)	2.3
17	First Security	1.1	131.8 (15)	1096.9 (18)	4.6
18	Colorado Natl Bkshs	0.7	111.3 (19)	981.4 (19)	2.9
19	Moore Financial	–1.2	133.1 (14)	1280.7 (16)	2.7
	Industry average	10.6	162.7	1724.6	
BEVERAGES-ALCOHOLIC					
1	Brown-Forman	12.9	160.2 (2)	153.9 (1)	6.7
2	Anheuser-Busch Cos	12.8	189.3 (1)	143.8 (3)	40.6
3	Adolph Coors	6.2	136.8 (3)	145.3 (2)	9.6
	Industry average	11.7	177.0	145.2	
BEVERAGES-SOFT DRINKS					
1	Coca-Cola	26.7	247.5 (1)	239.1 (1)	35.0
2	General Cinema	9.9	79.9 (3)	103.0 (3)	12.5
3	PepsiCo	2.5	51.0 (4)	44.1 (4)	182.0
4	Coca-Cola Enterprises	1.3	92.9 (2)	181.5 (2)	21.0
	Industry average	6.1	83.4	85.8	
BROADCASTING					
1	LIN Broadcasting	66.5	203.5 (2)	561.2 (1)	1.0
2	CBS	17.7	210.7 (1)	152.8 (5)	22.1
3	Tele-Communications	9.7	66.2 (5)	410.7 (4)	9.8
4	Viacom International	–2.1	198.7 (3)	441.2 (3)	4.6
5	Taft Broadcasting	–21.6	183.7 (4)	466.2 (2)	2.8
	Industry average	12.0	172.1	280.3	
BROKERAGE HOUSE					
1	Salomon	73.2	963.0 (1)	11087.1 (2)	7.1
2	First Boston	45.6	823.6 (2)	12289.7 (1)	4.0
3	Morgan Stanley	43.2	528.9 (3)	6269.8 (4)	4.7
4	Bear Stearns	37.6	507.7 (4)	7824.3 (3)	4.6
5	Merrill Lynch	10.1	204.2 (6)	1142.5 (7)	46.4
6	PaineWebber Group	6.4	206.2 (5)	1341.9 (6)	11.7
7	EF Hutton Group	–5.0	151.7 (7)	1424.3 (5)	18.2
	Industry average	15.8	306.1	2978.0	
CEMENT & GYPSUM					
1	Lone Star Industries	16.9	126.9 (1)	210.7 (1)	7.0
2	USG	10.4	125.5 (2)	92.4 (2)	21.7
	Industry average	12.0	125.8	121.3	
CHEMICALS-DIVERSIFIED					
1	Dow Chemical	14.2	212.7 (1)	234.3 (2)	52.3
2	Union Carbide	13.7	123.9 (6)	147.9 (6)	51.2
3	Rohm & Haas	11.5	173.0 (3)	154.1 (4)	12.0
4	El du Pont	10.7	187.3 (2)	186.1 (3)	143.6
5	Hercules	9.0	103.4 (9)	115.3 (7)	25.3
6	Monsanto	8.0	127.6 (5)	153.4 (5)	53.9
7	National Distillers	6.2	138.6 (4)	239.0 (1)	12.2
8	American Cyanamid	5.7	107.7 (8)	103.5 (9)	35.4
9	Olin	5.4	121.5 (7)	109.9 (8)	14.1
	Industry average	10.3	157.9	169.3	

The Forbes 500s–Jobs and Productivity

Rank	Company	Per employee ($000) Profits	Sales (rank)	Assets (rank)	Employees (000)
CHEMICALS-SPECIALIZED					
1	Intl Flavors & Frag	22.8	164.9 (6)	178.6 (5)	3.8
2	GAF	18.9	176.3 (5)	315.1 (3)	4.3
3	Ethyl	16.9	212.6 (3)	342.1 (2)	10.5
4	Lubrizol	15.6	196.9 (4)	175.4 (6)	5.0
5	Nalco Chemical	12.8	148.2 (7)	118.1 (9)	5.0
6	Freeport-McMoRan	12.1	295.5 (1)	1106.8 (1)	2.1
7	Morton Thiokol	7.4	107.2 (10)	82.9 (11)	17.9
8	BF Goodrich	1.1	214.3 (2)	152.7 (7)	11.9
9	Air Prods & Chems	0.3	115.6 (9)	149.7 (8)	17.7
10	WR Grace	-12.0	94.3 (11)	103.7 (10)	39.5
11	Intl Minerals & Chem	-23.7	146.3 (8)	239.2 (4)	10.0
	Industry average	-0.4	138.3	171.2	
COMMERCIAL BUILDER					
1	Centex	10.6	298.5 (2)	205.8 (4)	4.6
2	Rouse	6.5	114.5 (5)	478.9 (1)	3.0
3	American Standard	5.0	77.8 (8)	57.3 (6)	38.6
4	Turner Corp	3.4	846.5 (1)	323.6 (2)	3.0
5	Morrison-Knudsen	2.0	106.8 (6)	49.7 (7)	19.5
6	Fischbach	-1.5	103.3 (7)	39.6 (8)	13.0
7	Fluor	-4.1	180.9 (3)	101.0 (5)	24.6
8	Henley Group	-19.1	141.9 (4)	210.2 (3)	22.4
	Industry average	-1.8	142.3	110.7	
COMPUTERS					
1	Cray Research	34.8	166.2 (2)	195.0 (2)	3.6
2	Apple Computer	31.4	410.2 (1)	257.6 (1)	5.0
3	Tandem Computers	14.1	149.1 (3)	138.5 (5)	5.6
4	Intergraph	12.5	107.2 (7)	108.5 (7)	5.7
5	IBM	11.8	126.7 (5)	142.9 (4)	404.5
6	Telex	10.4	115.0 (6)	80.7 (10)	7.0
7	Digital Equipment	9.4	91.6 (9)	86.7 (9)	91.9
8	Hewlett-Packard	6.3	87.3 (11)	77.0 (12)	83.0
9	Amdahl	5.6	138.0 (4)	150.5 (3)	7.0
10	NCR	5.4	78.7 (14)	64.8 (14)	62.0
11	Data General	0.5	80.2 (13)	77.4 (11)	16.1
12	Unisys	-0.6	101.7 (8)	128.7 (6)	73.1
13	Wang Laboratories	-2.8	86.1 (12)	87.6 (8)	31.0
14	Control Data	-7.3	91.4 (10)	70.8 (13)	36.6
	Industry average	8.0	111.0	116.7	
CONGLOMERATE					
1	Berkshire Hathaway	12.3	94.6 (12)	193.1 (3)	23.0
2	Household Intl	11.5	127.5 (5)	614.3 (1)	21.5
3	Minn Mining & Mfg	9.3	102.8 (9)	87.8 (11)	83.7
4	Jim Walter	9.0	136.9 (3)	163.9 (6)	17.2
5	Penn Central	5.6	86.4 (15)	106.1 (9)	27.7
6	Raytheon	5.3	98.8 (11)	48.1 (19)	74.0
7	Dover	5.0	86.6 (14)	62.0 (15)	16.6
8	Teledyne	4.8	99.0 (10)	93.6 (10)	46.0
9	American Brands	4.6	79.1 (16)	115.2 (8)	78.6
10	ITT	4.4	136.7 (4)	288.7 (2)	124.0
11	Textron	3.8	108.6 (7)	183.0 (4)	64.0
12	IU International	3.3	104.0 (8)	58.7 (16)	14.0
13	Alco Standard	3.1	224.1 (1)	68.5 (13)	18.6
14	Litton Industries	0.9	75.5 (17)	78.9 (12)	56.9
15	Kidde	0.7	67.3 (19)	49.5 (18)	35.0
16	Tenneco	-0.4	137.1 (2)	170.0 (5)	106.0
17	Amfac	-3.0	89.2 (13)	52.8 (17)	22.0
18	IC Industries	-3.6	109.9 (6)	122.7 (7)	38.4
19	Allegheny Intl	-9.1	73.7 (18)	65.7 (14)	18.0
	Industry average	3.7	108.5	146.4	
CONSTRUCTION MATERIALS					
1	Vulcan Materials	14.8	151.9 (2)	132.3 (1)	6.3
2	Masco	9.7	69.1 (7)	106.0 (4)	21.0
3	CertainTeed	7.9	154.2 (1)	112.5 (3)	7.2
4	Koppers	5.8	127.6 (4)	92.9 (5)	10.9
5	Armstrong World Inds	5.7	88.6 (6)	59.9 (7)	21.7
6	Manville	4.2	98.5 (5)	128.9 (2)	19.5
7	Owens-Corning	0.6	131.6 (3)	79.2 (6)	27.7
	Industry average	5.6	108.5	95.3	
ELECTRIC UTILITY-NORTH CENTRAL					
1	Illinois Power	64.0	258.9 (8)	1188.1 (1)	4.6
2	Commonwealth Ed	56.9	296.9 (3)	1050.9 (4)	18.5
3	Ohio Edison	55.2	234.1 (12)	1062.2 (3)	7.4
4	Ipalco Enterprises	53.7	224.4 (15)	763.4 (12)	2.3
5	Union Electric	46.4	243.6 (9)	852.3 (9)	7.4
6	DPL	45.1	345.3 (1)	818.3 (10)	2.8
7	Detroit Edison	43.3	260.2 (7)	906.7 (7)	11.0
8	Minnesota Power	42.9	205.1 (19)	713.8 (13)	1.9
9	Centerior Energy	42.6	208.4 (17)	1083.2 (2)	9.2
10	Cincinnati G&E	38.4	311.9 (2)	681.3 (15)	4.5
11	Kansas City P&L	37.8	236.0 (11)	959.1 (5)	2.8
12	Duquesne Light	33.2	196.3 (21)	884.6 (8)	4.6
13	Public Service Ind	29.9	263.9 (6)	581.4 (18)	4.0
14	No States Power	27.7	238.7 (10)	568.9 (19)	7.5
15	Central Ill Pub Svc	26.7	226.7 (14)	589.9 (16)	2.8
16	Wisconsin Energy	25.6	228.7 (13)	450.1 (20)	6.2
17	Wisconsin P&L	23.8	224.2 (16)	446.1 (21)	2.5
18	Kansas Gas & Electric	23.1	201.6 (20)	920.7 (6)	2.5
19	American Electric	21.7	207.3 (18)	581.7 (17)	23.4
20	Consumers Power	16.3	284.8 (4)	790.9 (11)	10.9
21	No Indiana Pub Svc	-2.5	283.5 (5)	687.5 (14)	5.7
	Industry average	35.6	248.2	805.9	
ELECTRIC UTILITY-NORTHEAST					
1	United Illuminating	66.0	306.1 (4)	1124.1 (2)	1.5
2	Long Island Lighting	54.0	337.2 (1)	1508.1 (1)	5.9
3	NY State Elec & Gas	52.0	290.8 (6)	962.0 (5)	4.4
4	Philadelphia Elec	52.0	284.0 (8)	987.5 (4)	10.9
5	Central Hudson G&E	48.6	328.5 (2)	867.2 (6)	1.3
6	Rochester Gas & Elec	40.5	290.3 (7)	769.5 (9)	2.6
7	Potomac Electric	37.8	251.2 (14)	580.4 (16)	5.5
8	Delmarva Power & Lt	37.3	277.3 (10)	675.9 (14)	2.6
9	Pennsylvania P&L	35.8	261.0 (12)	851.3 (7)	8.4
10	Niagara Mohawk Pwr	35.8	239.7 (16)	685.7 (13)	11.1
11	Allegheny Power	35.0	292.8 (5)	721.6 (11)	5.8
12	New England Electric	33.9	282.5 (9)	751.9 (10)	5.1
13	Northeast Utilities	32.8	221.3 (17)	705.7 (12)	9.2

The Forbes 500s–Jobs and Productivity

Rank	Company	Per employee ($000) Profits	Sales (rank)	Assets (rank)	Employees (000)
14	Atlantic City Elec	32.6	273.2 (11)	655.5 (15)	2.1
15	Baltimore Gas & Elec	30.8	205.6 (18)	489.9 (18)	8.9
16	Public Service Ent Gp	27.6	328.0 (3)	771.4 (8)	13.7
17	Consolidated Edison	26.2	248.9 (15)	436.2 (20)	20.9
18	Boston Edison	24.2	251.4 (13)	544.3 (17)	4.4
19	General Public Utils	14.8	201.6 (20)	440.2 (19)	13.8
20	Public Service NH	-79.6	202.6 (19)	1086.2 (3)	2.5
	Industry average	33.0	256.9	688.6	
ELECTRIC UTILITY-SOUTH CENTRAL					
1	Tucson Electric	111.5	403.9 (1)	1703.4 (2)	1.1
2	El Paso Electric	89.4	297.3 (3)	2050.9 (1)	1.1
3	Gulf States Utils	49.1	296.1 (4)	1225.1 (3)	5.0
4	Southwestern Pub Svc	41.7	339.4 (2)	684.3 (8)	2.3
5	Central & South West	38.0	273.5 (6)	764.9 (5)	9.3
6	Texas Utilities	37.5	235.1 (9)	736.4 (7)	16.7
7	Houston Industries	34.8	289.6 (5)	739.5 (6)	12.2
8	Middle South Utils	33.1	255.9 (8)	1052.6 (4)	13.6
9	Oklahoma Gas & Elec	29.9	258.1 (7)	391.7 (9)	4.2
	Industry average	38.8	268.7	871.2	
ELECTRIC UTILITY-SOUTHEAST					
1	Carolina Pwr & Lt	38.1	217.1 (6)	766.5 (1)	9.4
2	Kentucky Utilities	31.7	272.2 (3)	646.9 (3)	2.0
3	Scana	31.3	282.1 (2)	659.2 (2)	3.9
4	Southern Company	27.8	216.0 (7)	640.6 (5)	31.7
5	Dominion Resources	27.4	221.6 (5)	644.9 (4)	13.9
6	Florida Progress	23.8	246.1 (4)	471.1 (8)	7.6
7	Duke Power	22.9	166.8 (10)	403.5 (10)	20.4
8	TECO Energy	22.5	208.1 (8)	487.6 (7)	4.3
9	FPL Group	20.4	303.3 (1)	594.3 (6)	17.9
10	Louisville Gas &Elec	19.4	174.2 (9)	429.1 (9)	3.8
	Industry average	26.0	225.2	578.9	
ELECTRIC UTILITY-WEST					
1	Idaho Power	50.7	264.5 (6)	1054.5 (2)	1.5
2	Puget Sound P&L	46.1	299.1 (3)	1023.7 (3)	2.4
3	So Calif Edison	44.3	305.8 (2)	762.6 (6)	17.4
4	San Diego Gas & Elec	44.1	337.8 (1)	667.0 (9)	4.8
5	Washington Water	43.3	270.6 (4)	965.4 (4)	1.4
6	Public Service NM	39.0	180.3 (11)	712.0 (8)	3.9
7	Pacific Gas & Elec	36.8	265.9 (5)	714.4 (7)	29.4
8	Portland General	29.2	244.5 (8)	794.8 (5)	3.1
9	Utah Power & Light	27.6	185.6 (10)	589.1 (10)	5.3
10	PacifiCorp	24.1	198.8 (9)	531.1 (11)	10.4
11	AZP Group	23.2	126.4 (13)	1193.9 (1)	10.1
12	Public Service Col	18.3	244.7 (7)	430.8 (13)	6.8
13	Montana Power	18.0	176.3 (12)	493.9 (12)	3.7
	Industry average	33.7	243.1	734.2	
ELECTRICAL EQUIPMENT					
1	WW Grainger	16.0	215.3 (1)	152.2 (1)	5.4
2	General Electric	7.7	108.2 (2)	106.3 (2)	325.5
3	Emerson Electric	6.8	84.9 (5)	75.1 (4)	60.7
4	Westinghouse Elec	5.7	91.5 (3)	72.3 (5)	117.4
5	Raychem	5.1	87.6 (4)	85.8 (3)	9.8
6	Square D	4.7	66.7 (7)	53.8 (6)	21.1
7	National Service	3.8	67.8 (6)	37.4 (7)	19.0
	Industry average	7.0	99.9	91.5	
ELECTRONIC EQUIPMENT					
1	Seagate Technology	14.4	113.3 (1)	72.9 (5)	6.3
2	Molex	9.1	81.6 (5)	83.2 (3)	4.3
3	AMP	7.4	86.7 (3)	80.1 (4)	22.3
4	Corning Glass Works	6.5	74.7 (6)	95.0 (1)	24.9
5	Pitney Bowes	5.8	68.3 (9)	69.7 (7)	29.1
6	Perkin-Elmer	4.3	86.6 (4)	91.1 (2)	15.0
7	General Signal	3.5	74.5 (7)	68.6 (9)	21.2
8	Eaton	3.3	90.1 (2)	71.5 (6)	42.3
9	Tektronix	2.8	68.0 (10)	61.3 (10)	19.9
10	Honeywell	-5.3	72.0 (8)	68.8 (8)	74.7
	Industry average	2.2	77.9	73.9	
ENTERTAINMENT					
1	Warner Commun	16.6	254.3 (1)	287.8 (1)	11.2
2	Walt Disney	9.8	87.8 (3)	108.6 (3)	31.0
3	MCA	9.5	149.8 (2)	163.1 (2)	16.3
4	Bally Manufacturing	0.6	37.5 (4)	54.4 (4)	42.5
	Industry average	6.6	95.1	114.5	
FINANCIAL COMPANY					
1	Student Loan	160.3	1526.4 (2)	20212.9 (2)	0.9
2	Dreyfus	101.9	293.2 (4)	763.6 (9)	0.8
3	Fedl Natl Mortgage	85.1	4902.2 (1)	46700.3 (1)	2.2
4	DCNY	77.6	862.4 (3)	15356.4 (3)	0.3
5	H&R Block	18.3	206.7 (8)	127.7 (13)	3.1
6	Lomas & Nettleton	18.1	137.5 (11)	1139.0 (6)	3.4
7	American Express	16.7	225.2 (7)	1332.7 (5)	74.6
8	Alleghany	14.8	115.9 (12)	281.7 (12)	5.4
9	Gulf & Western	13.4	203.9 (9)	639.6 (10)	19.7
10	Commercial Credit	9.4	225.9 (6)	994.0 (8)	4.9
11	Southmark	9.3	91.5 (13)	423.0 (11)	7.5
12	Integrated Resources	8.4	243.9 (5)	1498.7 (4)	3.4
13	Beneficial Corp	-28.3	168.0 (10)	1076.6 (7)	6.8
	Industry average	15.8	293.0	1988.1	
FOOD DISTRIBUTOR-WHOLESALE					
1	Sysco	6.1	345.0 (3)	84.0 (3)	9.9
2	Super Food Services	5.8	775.8 (1)	119.9 (2)	1.9
3	Staley Continental	3.3	341.2 (5)	192.3 (1)	9.1
4	Super Valu Stores	3.1	342.3 (4)	73.0 (5)	25.6
5	Wetterau	3.1	340.0 (6)	60.2 (6)	11.3
6	Fleming Cos	2.5	486.2 (2)	78.9 (4)	15.7
7	Nash Finch	1.8	203.3 (7)	40.6 (7)	7.7
8	TW Services	0.3	32.5 (8)	18.0 (8)	59.0
	Industry average	2.0	226.2	56.9	
FOOD PROCESSOR-BRANDED FOODS					
1	Kellogg	18.5	193.9 (3)	120.9 (1)	17.2
2	WM Wrigley Jr	9.7	125.9 (7)	71.1 (9)	5.6
3	Ralston Purina	9.7	103.8 (10)	73.5 (8)	54.9

The Forbes 500s–Jobs and Productivity

Rank	Company	Per employee ($000) Profits	Sales (rank)	Assets (rank)	Employees (000)
4	Hershey Foods	8.5	139.0 (6)	86.9 (6)	15.6
5	Kraft	7.6	170.4 (4)	92.6 (4)	51.3
6	Quaker Oats	7.5	125.9 (8)	92.0 (5)	31.4
7	HJ Heinz	7.1	98.8 (11)	71.1 (10)	46.0
8	Dean Foods	6.9	236.6 (1)	78.4 (7)	5.8
9	Borden	6.6	148.0 (5)	106.0 (2)	33.8
10	CPC International	5.6	117.0 (9)	93.9 (3)	38.9
11	Campbell Soup	5.0	97.8 (12)	64.1 (12)	45.8
12	Conagra	3.7	198.5 (2)	64.8 (11)	32.0
13	General Mills	3.5	77.4 (14)	35.6 (16)	62.6
14	Sara Lee	2.7	92.8 (13)	43.2 (14)	89.9
15	Pillsbury	2.1	56.8 (15)	39.6 (15)	100.5
16	Castle & Cook	1.3	49.7 (16)	43.4 (13)	35.0
	Industry average	5.3	107.4	64.7	
FOOD PROCESSOR-COMMODITIES					
1	Archer Daniels	23.8	560.5 (1)	383.2 (1)	9.9
2	Intl Multifoods	2.3	160.3 (2)	72.2 (2)	8.6
	Industry average	13.8	374.5	238.6	
FOOD PROCESSOR-MEATPACKING					
1	Monfort of Colorado	6.4	414.0 (1)	75.0 (2)	3.9
2	George A Hormel	5.3	296.2 (2)	101.9 (1)	6.5
3	Federal Co	5.2	114.7 (4)	41.2 (3)	11.0
4	Tyson Foods	2.6	78.9 (6)	35.0 (5)	20.8
5	United Brands	1.4	84.8 (5)	24.6 (6)	39.0
6	Wilson Foods	0.9	273.3 (3)	39.9 (4)	5.2
	Industry average	2.7	129.3	38.2	
HEALTH-DRUGS					
1	Marion Laboratories	30.1	201.2 (4)	144.4 (8)	2.4
2	Squibb	22.9	88.0 (19)	118.8 (14)	20.3
3	Merck	21.9	134.1 (6)	165.8 (4)	30.8
4	Eli Lilly	19.6	130.3 (7)	161.0 (5)	28.6
5	American Home Prods	17.2	108.6 (14)	92.0 (18)	45.4
6	Pfizer	16.7	113.0 (10)	130.4 (10)	39.6
7	Bristol-Myers	16.7	136.6 (5)	118.2 (15)	35.4
8	Rorer Group	16.6	111.9 (12)	147.1 (7)	7.5
9	SmithKline-Beckman	15.7	112.5 (11)	126.8 (12)	33.3
10	Abbott Laboratories	15.3	108.0 (15)	109.7 (17)	35.2
11	AH Robins	13.1	126.4 (8)	134.2 (9)	6.3
12	Upjohn	12.2	111.0 (13)	129.1 (11)	20.7
13	Schering-Plough	11.1	99.7 (16)	124.8 (13)	24.1
14	Bausch & Lomb	9.6	89.5 (17)	113.4 (16)	7.8
15	Warner-Lambert	8.8	88.7 (18)	71.9 (19)	35.0
16	Alco Health Services	7.5	667.4 (2)	207.3 (2)	2.1
17	McKesson	6.1	438.9 (3)	148.9 (6)	15.2
18	Bergen Brunswig	4.2	765.0 (1)	198.9 (3)	4.1
19	Genentech	-341.6	123.5 (9)	364.7 (1)	1.0
	Industry average	14.6	135.2	124.1	

Rank	Company	Per employee ($000) Profits	Sales (rank)	Assets (rank)	Employees (000)
HEALTH-MEDICAL SUPPLIES					
1	Medtronic	14.3	95.9 (1)	107.8 (2)	4.9
2	Millipore	8.4	95.1 (2)	85.4 (4)	4.7
3	Baxter Travenol Labs	8.1	89.6 (3)	114.3 (1)	61.9
4	CR Bard	7.6	80.9 (4)	62.4 (5)	6.8
5	Becton Dickinson	6.9	76.8 (5)	94.4 (3)	18.1
	Industry average	8.2	87.2	103.2	
HEALTH-SERVICES					
1	US Healthcare	87.2	577.5 (1)	421.8 (1)	0.9
2	Community Psych Ctrs	12.2	54.9 (6)	78.3 (4)	4.2
3	Shared Medical Sys	9.1	107.1 (2)	86.7 (2)	3.5
4	Hospital Corp	2.0	53.4 (4)	76.3 (5)	89.0
5	National Medical	1.2	42.8 (7)	44.2 (7)	74.9
6	Humana	0.9	59.9 (3)	66.6 (6)	44.6
7	Beverly Enterprises	0.5	18.3 (8)	20.1 (8)	110.5
8	American Medical	-2.2	53.4 (5)	85.8 (3)	45.0
	Industry average	1.1	44.1	53.9	
HEAVY EQUIPMENT-BUILDING & MINING					
NA	Caterpillar	1.4	135.5 NA	116.4 NA	54.0
	Industry average	1.4	135.5	116.4	
HEAVY EQUIPMENT-AGRICULTURAL					
NA	Deere	10.1	84.5 NA	121.7 NA	39.0
	Industry average	10.1	84.5	121.7	
HEAVY EQUIPMENT-INDUSTRIAL					
1	Illinois Tool Works	8.9	108.0 (1)	143.4 (1)	8.9
2	Pall	8.7	72.0 (10)	95.8 (2)	5.0
3	Trinova	6.5	76.2 (8)	61.5 (9)	19.0
4	Stanley Works	4.9	85.0 (5)	74.9 (6)	16.1
5	Parker-Hannifin	3.6	73.0 (9)	52.3 (11)	25.1
6	Cooper Industries	3.4	79.7 (7)	76.9 (5)	43.1
7	Ingersoll-Rand	3.1	86.7 (4)	72.9 (7)	32.3
8	Foster Wheeler	2.3	104.0 (3)	93.4 (3)	12.1
9	Combustion Eng	2.1	104.3 (2)	88.4 (4)	24.5
10	Emhart	0.3	64.8 (11)	57.5 (10)	32.3
11	Dresser Industries	-0.6	80.4 (6)	71.8 (8)	43.0
	Industry average	2.7	82.5	74.4	
HOME FURNISHINGS					
1	Rubbermaid	12.0	135.8 (1)	98.9 (1)	5.9
2	JP Stevens	2.2	66.3 (4)	37.6 (5)	25.0
3	Springs Industries	1.4	64.0 (5)	43.0 (4)	23.5
4	West Point-Pepperell	1.1	69.6 (3)	47.5 (3)	28.5
5	Premark Intl	4.5	89.5 (2)	64.2 (2)	21.9
	Industry average	0.9	75.4	50.5	
HOTELS & GAMING					
1	Marriott	1.1	30.2 (1)	26.2 (1)	174.6
2	Prime Motor Inns	6.8	47.8 (2)	113.2 (2)	6.6
3	Hilton Hotels	2.8	20.8 (4)	37.7 (4)	34.5
4	Holiday Corp	2.3	36.6 (3)	50.6 (3)	45.0
	Industry average	1.7	30.5	34.1	
HOUSEHOLD PRODUCTS					
1	Clorox	18.8	202.9 (1)	158.8 (1)	5.4
2	Sterling Drug	7.9	91.7 (2)	79.4 (2)	21.7
	Industry average	10.1	113.9	95.2	

The Forbes 500s–Jobs and Productivity

Rank	Company	Per employee ($000) Profits	Sales (rank)	Assets (rank)	Employees (000)
INDUSTRIAL SERVICES					
1	Waste Management	16.5	89.7 (2)	124.2 (1)	22.5
2	Browning-Ferris Inds	8.1	77.3 (3)	82.9 (2)	18.0
3	Ogden	3.2	21.5 (4)	22.5 (4)	37.1
4	Johnson Controls	3.0	90.7 (1)	60.1 (3)	28.0
	Industry average	6.8	3.9	4.4	
INSURANCE-BROKER					
1	Marsh & McLennan	12.9	96.0 (1)	78.5 (2)	18.8
2	Alexander & Alexander	2.4	61.0 (2)	138.8 (1)	17.5
	Industry average	7.8	79.1	107.6	
INSURANCE-DIVERSIFIED					
1	General Re	135.1	1405.6 (1)	3840.9 (1)	2.3
2	Cincinnati Financial	63.9	530.3 (2)	1061.3 (6)	1.5
3	American General	40.7	374.6 (7)	1392.7 (4)	16.4
4	Combined Intl	33.3	243.0 (13)	794.5 (11)	7.4
5	American Intl Group	29.4	328.1 (11)	777.2 (12)	27.1
6	Continental Corp	26.4	352.0 (9)	799.0 (10)	17.1
7	Loews	24.3	368.2 (8)	848.4 (9)	22.4
8	Safeco	22.9	240.6 (14)	580.0 (15)	10.0
9	Lincoln National	22.0	465.0 (5)	1259.2 (5)	12.9
10	Aetna Life & Cas	20.1	475.2 (4)	1550.6 (2)	43.1
11	Transamerica	17.4	394.5 (6)	1050.8 (7)	15.4
12	Old Republic Intl	17.2	254.3 (12)	584.6 (14)	4.5
13	Travelers	15.6	496.6 (3)	1432.8 (3)	32.3
14	Farmers Group	14.5	76.0 (16)	217.0 (16)	14.7
15	Cigna	13.9	343.0 (10)	1005.5 (8)	49.7
16	Kemper	12.3	203.0 (15)	593.6 (13)	16.4
	Industry average	22.0	371.0	1056.4	
INSURANCE-LIFE & HEALTH					
1	First Executive	181.1	4185.2 (1)	16590.7 (1)	0.9
2	USLife	46.8	597.3 (4)	1858.6 (5)	2.0
3	ICH	39.0	396.2 (9)	2135.2 (2)	3.9
4	Monarch Capital	38.9	761.0 (2)	1999.4 (3)	1.9
5	American Family	36.1	501.8 (6)	1182.2 (10)	2.8
6	Capital Holding	32.9	276.1 (11)	954.8 (11)	8.3
7	American Natl Ins	32.0	106.7 (15)	499.3 (14)	7.8
8	Provident Life & Acc	31.4	431.7 (8)	1597.8 (8)	4.7
9	UNUM	31.1	572.4 (5)	1879.5 (4)	3.7
10	Torchmark	31.0	234.1 (12)	621.0 (13)	6.6
11	Jefferson-Pilot	23.0	194.0 (13)	709.8 (12)	5.4
12	Life Investors	22.5	657.2 (3)	1824.7 (7)	1.6
13	Kaufman & Broad	18.6	478.6 (7)	1840.7 (6)	2.4
14	Northwestern Natl Life	17.2	387.9 (10)	1333.7 (9)	2.8
15	American Can	9.1	118.8 (14)	220.2 (15)	24.3
	Industry average	25.9	321.0	1071.1	
INSURANCE-PROPERTY & CASUALTY					
1	Geico	37.9	248.9 (9)	472.6 (7)	5.7
2	USF&G	29.3	461.4 (1)	950.6 (1)	9.4
3	Chubb	28.8	345.0 (2)	777.1 (3)	9.3
4	Home Group	22.3	337.5 (3)	874.0 (2)	6.5
5	Hanover Insurance	18.8	277.8 (7)	452.0 (8)	4.2
6	Ohio Casualty	18.5	255.0 (8)	446.0 (9)	5.6
7	Fireman's Fund	18.4	298.0 (6)	739.3 (5)	12.4
8	Progressive	16.2	171.3 (10)	317.4 (10)	4.0
9	St Paul Cos	16.0	319.5 (5)	765.8 (4)	10.0
10	Reliance Group	10.6	320.9 (4)	620.3 (6)	9.8
	Industry average	21.4	318.2	690.6	
LUMBER					
1	Georgia-Pacific	7.6	185.2 (1)	131.1 (3)	39.0
2	Weyerhaeuser	6.9	179.5 (2)	277.2 (1)	40.3
3	Louisiana-Pacific	5.2	120.5 (3)	151.0 (2)	12.5
	Industry average	7.0	173.9	197.9	
MEDIA SERVICES					
NA	IMS International	8.4	81.5 (NA)	79.5 (NA)	4.6
	Industry average	8.4	81.5	79.5	
METALS-NONFERROUS					
1	Newmont Mining	11.4	57.7 (7)	300.2 (3)	6.6
2	Homestake Mining	11.2	154.1 (3)	342.5 (2)	2.0
3	Engelhard	7.7	328.9 (1)	149.9 (6)	7.0
4	Alcoa	7.4	130.7 (5)	189.5 (5)	35.7
5	Reynolds Metals	3.9	140.0 (4)	142.6 (7)	26.0
6	Kaiser Alum & Chem	-2.5	169.6 (2)	245.7 (4)	13.1
7	Amax	-5.7	112.8 (6)	379.4 (1)	11.6
	Industry average	4.1	145.4	213.8	
METALS-STEEL					
1	Cyclops	2.4	160.1 (1)	64.3 (5)	9.0
2	Inland Steel Inds	0.8	140.0 (3)	111.5 (3)	22.7
3	Bethlehem Steel	-4.1	115.5 (5)	124.3 (1)	37.5
4	Armco	-22.3	122.5 (4)	117.3 (2)	21.6
5	LTV	-62.7	140.2 (2)	106.0 (4)	51.9
	Industry average	-27.0	132.3	110.8	
NATURAL GAS-DISTRIBUTOR					
1	Iowa-Illinois G&E	39.5	368.0 (3)	765.0 (2)	1.5
2	Nicor	27.2	392.8 (2)	440.2 (3)	4.6
3	Peoples Energy	21.9	414.7 (1)	407.7 (4)	3.5
4	Kansas Power & Light	20.3	265.7 (5)	386.3 (5)	4.5
5	Primark	10.3	297.8 (4)	285.8 (6)	5.2
6	Entex	-31.6	249.4 (6)	1030.7 (1)	4.6
	Industry average	10.9	322.3	525.7	
NATURAL GAS-INTEGRATED					
1	Consol Natural Gas	22.9	343.7 (1)	501.3 (3)	7.6
2	Arkla	18.5	287.5 (3)	657.1 (1)	3.5
3	Columbia Gas System	9.3	315.4 (2)	523.3 (2)	10.7
4	Pacific Lighting	3.1	200.4 (4)	189.0 (4)	26.6
5	Enserch	1.0	148.8 (5)	176.7 (5)	18.3
	Industry average	6.6	225.6	299.4	
NATURAL GAS-PRODUCER & PIPELINER					
1	Enron	6.0	794.3 (1)	888.4 (1)	9.6
2	Texas Eastern	0.1	389.9 (4)	502.3 (6)	10.5
3	Transco Energy	-0.9	734.2 (2)	846.9 (2)	5.0
4	Williams Cos	-44.1	329.0 (5)	691.7 (3)	5.7
5	Sonat	-52.6	292.1 (6)	568.0 (5)	5.8
6	Panhandle Eastern	-109.0	452.3 (3)	607.9 (4)	5.0
	Industry average	-25.2	510.1	680.6	

The Forbes 500s—Jobs and Productivity

Rank	Company	Per employee ($000) Profits	Sales (rank)	Assets (rank)	Employees (000)
OFFICE PRODUCTS & SERVICES					
1	Comdisco	75.2	1049.2 (1)	2024.2 (1)	0.8
2	Microsoft	55.9	252.2 (3)	212.6 (3)	1.0
3	PHH Group	10.7	282.8 (2)	779.2 (2)	3.3
4	Automatic Data Proc	6.0	67.4 (5)	70.3 (5)	19.3
5	Xerox	4.2	115.9 (4)	173.1 (4)	111.5
	Industry average	5.4	119.6	184.4	
OIL—INTERNATIONAL					
1	Exxon	43.6	368.2 (2)	564.9 (3)	123.0
2	Amoco	15.5	379.6 (5)	492.2 (5)	48.2
3	Texaco	13.6	593.9 (1)	656.4 (1)	53.2
4	Chevron	12.8	435.1 (3)	617.9 (2)	56.0
5	Phillips Petroleum	9.7	413.5 (4)	526.5 (4)	23.6
6	Mobil	9.6	305.6 (7)	268.5 (7)	146.8
7	Occidental Petroleum	3.7	326.9 (6)	372.1 (6)	46.9
	Industry average	18.8	430.3	466.2	
OTHER OIL & GAS					
1	Atlantic Richfield	21.2	500.4 (6)	746.2 (3)	29.0
2	Mapco	15.2	304.8 (11)	272.7 (16)	5.2
3	Anadarko Petroleum	14.5	295.9 (12)	1980.3 (1)	0.7
4	Sun Company	12.5	305.1 (10)	380.2 (13)	30.7
5	Pennzoil	9.4	244.5 (15)	462.2 (8)	7.3
6	Unocal	9.2	391.5 (8)	530.2 (5)	19.1
7	Cabot	9.0	175.4 (19)	211.1 (18)	7.2
8	Witco	8.1	168.6 (20)	102.0 (20)	8.0
9	Ashland Oil	5.5	193.9 (18)	112.1 (19)	33.6
10	Coastal Corp	4.4	407.8 (7)	475.7 (7)	16.4
11	American Petrofina	-7.2	594.1 (2)	522.8 (6)	3.4
12	Standard Oil	-7.6	225.4 (16)	390.1 (12)	40.9
13	National Intergroup	-8.2	577.7 (3)	392.3 (11)	5.8
14	Diamond Shamrock	-12.1	262.1 (14)	366.7 (14)	9.6
15	USX	-24.9	219.0 (17)	341.4 (15)	63.9
16	Amerada Hess	-28.2	516.3 (4)	632.0 (4)	7.8
17	Kerr-McGee	-37.1	322.4 (9)	393.0 (10)	7.9
18	Murphy Oil	-40.2	271.3 (13)	409.1 (9)	4.8
19	Valero Energy	-46.4	872.4 (1)	787.6 (2)	2.2
20	Tesoro Petroleum	-48.0	502.8 (5)	232.8 (17)	2.5
	Industry average	-4.2	303.6	396.0	
OILFIELD SERVICES					
1	Halliburton	-9.2	63.1 (2)	59.5 (2)	55.9
2	Baker International	-23.2	79.6 (1)	81.7 (1)	17.7
	Industry average	-12.6	67.1	64.8	
PACKAGING					
1	Temple-Inland	8.1	129.6 (4)	170.1 (2)	10.0
2	International Paper	8.0	144.9 (1)	206.8 (1)	38.0
3	Ball Corp	6.5	118.9 (5)	81.4 (4)	9.0
4	Crown Cork & Seal	6.4	129.9 (3)	75.3 (5)	12.5
5	Triangle Industries	2.5	144.1 (2)	163.6 (3)	18.5
	Industry average	6.5	138.2	162.0	

Rank	Company	Per employee ($000) Profits	Sales (rank)	Assets (rank)	Employees (000)
PAPER					
1	Consolidated Papers	20.1	149.9 (5)	166.0 (2)	4.4
2	Bowater	10.7	199.5 (1)	347.3 (1)	4.6
3	Fort Howard Paper	9.5	100.0 (13)	135.3 (10)	15.5
4	Willamette Inds	9.1	145.6 (7)	133.5 (11)	8.2
5	Potlatch	8.9	123.5 (8)	134.3 (9)	7.9
6	Union Camp	7.5	117.5 (10)	158.1 (4)	17.1
7	Westvaco	7.1	121.7 (9)	136.6 (9)	15.1
8	Gt Northern Nekoosa	6.1	145.7 (6)	148.4 (7)	14.0
9	Champion Intl	5.3	116.7 (11)	160.3 (3)	37.6
10	Boise Cascade	4.4	161.6 (4)	152.7 (6)	23.1
11	James River Corp VA	4.3	115.4 (12)	117.1 (13)	34.5
12	Stone Container	2.8	163.4 (3)	122.5 (12)	12.4
13	Mead	2.3	168.9 (2)	142.8 (8)	19.1
	Industry average	6.0	133.6	147.2	
PERSONAL PRODUCTS					
1	Tambrands	15.9	111.9 (5)	83.6 (7)	4.4
2	Procter & Gamble	11.1	242.6 (1)	199.7 (1)	68.4
3	Scott Paper	7.9	145.9 (2)	167.3 (2)	23.6
4	Kimberly-Clark	7.4	117.7 (4)	100.5 (5)	36.6
5	Hillenbrand Inds	7.3	92.9 (6)	85.1 (6)	6.9
6	Service Corp Intl	7.1	48.0 (11)	120.8 (4)	6.9
7	Colgate-Palmolive	4.7	131.5 (3)	75.1 (10)	37.9
8	Johnson & Johnson	4.3	92.1 (7)	77.3 (9)	76.0
9	Avon Products	4.3	78.3 (9)	62.4 (11)	36.8
10	Gillette	0.5	88.8 (8)	80.0 (8)	31.8
11	Revlon Group	0.0	56.1 (10)	126.3 (3)	28.5
	Industry average	5.8	126.1	112.5	
PHOTOGRAPHY					
1	Polaroid	7.5	117.6 (1)	106.8 (1)	13.8
2	Eastman Kodak	3.0	92.3 (2)	103.0 (2)	125.2
	Industry average	3.4	94.8	103.4	
PUBLISHING					
1	Telerate	57.6	309.7 (1)	351.6 (1)	0.8
2	Dow Jones	26.2	162.2 (5)	176.6 (6)	7.0
3	Time Inc	18.4	183.5 (4)	209.8 (3)	20.5
4	Affiliated Pubs	17.6	106.6 (9)	118.5 (9)	3.8
5	Tribune	16.3	112.8 (7)	143.8 (7)	18.0
6	Washington Post	15.8	191.3 (3)	180.4 (5)	6.4
7	Times Mirror	13.9	99.8 (11)	100.1 (11)	29.3
8	New York Times	13.0	153.8 (6)	138.1 (8)	10.2
9	McGraw-Hill	10.4	106.0 (10)	98.3 (12)	14.9
10	Deluxe Check	9.3	66.2 (17)	50.5 (19)	13.1
11	Capital Cities/ABC	9.1	207.3 (2)	266.0 (2)	19.9
12	Gannett	8.5	86.5 (14)	103.9 (10)	32.4
13	Commerce Clearing	7.7	82.0 (16)	72.7 (16)	6.2
14	RR Donnelley	7.7	108.4 (8)	84.5 (15)	20.6
15	Macmillan	6.9	98.5 (12)	97.2 (13)	8.3
16	Knight-Ridder	6.1	83.1 (15)	84.7 (14)	23.0
17	Dun & Bradstreet	5.8	52.7 (19)	52.8 (18)	59.1
18	Harcourt Brace	5.3	97.2 (13)	180.4 (4)	13.4
19	American Greetings	3.5	55.3 (18)	56.5 (17)	19.4
	Industry average	9.9	103.1	112.5	

The Forbes 500s–Jobs and Productivity

Rank	Company	Per employee ($000) Profits	Sales (rank)	Assets (rank)	Employees (000)
RAILROADS					
1	Norfolk Southern	13.5	106.4 (4)	254.7 (2)	38.3
2	CSX	8.3	125.6 (3)	250.7 (3)	50.5
3	Santa Fe Southern	2.4	99.8 (5)	205.6 (5)	56.4
4	Burlington Northern	11.4	151.4 (2)	232.3 (4)	45.9
5	Union Pacific	11.7	166.5 (1)	275.2 (1)	39.5
	Industry average	0.8	128.2	240.9	
RECREATION					
NA	Brunswick	4.8	75.5 (NA)	82.4 (NA)	22.8
	Industry average	4.8	75.5	82.4	
RETAILING-APPAREL					
1	Charming Shoppes	6.2	80.2 (3)	36.5 (3)	6.5
2	Limited	5.9	81.8 (2)	35.9 (4)	38.4
3	Gap	5.9	73.7 (5)	31.6 (5)	11.5
4	Petrie Stores	4.6	74.9 (4)	67.3 (1)	16.0
5	Nordstrom	4.1	91.6 (1)	50.1 (2)	17.8
6	Melville	3.0	67.3 (6)	25.6 (7)	78.2
7	US Shoe	0.8	66.0 (7)	30.4 (6)	30.4
	Industry average	3.7	73.5	34.6	
RETAILING-CATALOG SHOWROOMS					
1	Best Products	1.3	119.0 (1)	70.3 (1)	18.0
2	Service Merchandise	1.7	93.7 (2)	54.4 (2)	27.0
	Industry average	1.5	103.8	60.8	
RETAILING-CONVENIENCE STORES					
1	Southland	3.2	128.9 (1)	53.9 (2)	63.5
2	Circle K	2.6	123.1 (2)	60.0 (1)	18.0
	Industry average	3.1	127.6	55.2	
RETAILING-DEPARTMENT STORES					
1	Mercantile Stores	5.0	92.2 (3)	57.4 (4)	22.0
2	Dillard Dept Stores	4.0	100.6 (1)	65.9 (2)	18.4
3	JC Penney	3.0	83.5 (4)	63.4 (3)	176.5
4	Sears, Roebuck	2.8	93.1 (2)	138.7 (1)	475.7
5	May Dept Stores	2.6	70.1 (7)	41.9 (7)	148.1
6	Federated Dept Strs	2.3	78.6 (6)	44.7 (6)	133.8
7	Carter Hawley Hale	0.9	78.6 (5)	47.8 (5)	52.0
8	Carson Pirie Scott	0.7	56.5 (8)	27.6 (8)	25.0
	Industry average	2.7	84.9	90.4	
RETAILING-DISCOUNT & VARIETY STORES					
1	Wal-Mart Stores	3.7	98.2 (1)	33.1 (4)	122.5
2	Dayton-Hudson	2.7	73.5 (5)	41.9 (1)	126.0
3	K mart	1.9	74.4 (4)	33.1 (3)	320.0
4	Ames Dept Stores	1.8	79.5 (3)	38.7 (2)	23.0
5	FW Woolworth	1.8	54.2 (6)	23.8 (6)	120.0
6	Zayre	1.5	89.2 (2)	31.3 (5)	60.0
	Industry average	2.3	76.2	33.1	
RETAILING-DRUGSTORES					
1	Rite Aid	4.4	100.8 (3)	49.6 (1)	16.9
2	Longs Drug Stores	3.4	142.2 (1)	38.5 (2)	11.5
3	Walgreen	2.6	100.1 (4)	35.8 (3)	38.0
4	American Stores	1.2	111.7 (2)	29.0 (4)	125.5
	Industry average	1.9	110.3	32.7	

Rank	Company	Per employee ($000) Profits	Sales (rank)	Assets (rank)	Employees (000)
RETAILING-MISCELLANEOUS					
1	Home Shopping	20.7	260.2 (2)	279.0 (1)	1.4
2	Price Co	10.0	442.1 (1)	97.5 (2)	6.3
3	Genuine Parts	9.0	176.5 (3)	74.6 (5)	13.6
4	Sherwin-Williams	8.0	116.6 (5)	86.1 (3)	13.3
5	Tandy	6.1	93.6 (8)	63.5 (7)	35.5
6	Toys "R" Us	5.6	90.2 (9)	56.2 (8)	27.1
7	Lowe's Cos	3.9	162.5 (4)	69.0 (6)	14.1
8	Payless Cashways	3.2	114.2 (6)	53.1 (9)	13.4
9	Wickes Cos	1.5	94.2 (7)	82.6 (4)	50.7
	Industry average	4.9	122.4	73.1	
RETAILING-SHOE STORES					
NA	Brown Group	1.5	55.2 (NA)	26.6 (NA)	25.5
	Industry average	1.5	55.2	26.6	
SEMICONDUCTORS					
1	Avnet	2.1	159.6 (1)	101.7 (2)	9.3
2	Texas Instruments	0.5	64.1 (2)	43.0 (3)	77.6
3	Natl Semiconductor	1.7	49.4 (4)	39.4 (4)	34.0
4	Intel	9.3	64.1 (3)	105.3 (1)	19.8
	Industry average	1.3	66.9	54.8	
SHIPPING					
1	Alexander & Baldwin	28.2	154.0 (2)	285.2 (2)	3.3
2	Greyhound	5.2	86.0 (3)	142.6 (3)	35.9
3	American President	4.7	376.0 (1)	350.8 (1)	3.8
	Industry average	6.9	116.8	171.9	
SHOE MANUFACTURER					
NA	Reebok International	151.9	1056.8 (NA)	506.2 (NA)	0.9
	Industry average	151.9	1056.8	506.2	
SUPERMARKETS-MAJOR					
1	Lucky Stores	4.3	118.2 (3)	29.3 (3)	54.5
2	Albertson's	2.6	139.7 (1)	32.8 (1)	38.5
3	Winn-Dixie Stores	1.4	113.5 (4)	19.1 (7)	75.6
4	Great A&P Tea	1.2	130.6 (2)	29.7 (2)	60.0
5	Supermarkets General	1.2	104.9 (5)	22.3 (6)	52.5
6	Stop & Shop Cos	0.8	82.4 (7)	27.3 (4)	47.0
7	Kroger	0.3	103.8 (6)	24.7 (5)	165.0
	Industry average	1.3	111.0	25.6	
SUPERMARKETS-REGIONAL					
1	Weis Markets	5.1	86.7 (4)	37.3 (1)	12.7
2	Food Lion	3.3	126.8 (1)	31.9 (4)	19.0
3	Giant Food	2.2	122.4 (2)	36.9 (2)	20.7
4	Fred Meyer	1.5	106.8 (3)	33.8 (3)	15.8
	Industry average	9	113.4	34.9	

The Forbes 500s–Jobs and Productivity

Rank	Company	Per employee ($000) Profits	Sales (rank)	Assets (rank)	Employees (000)
RESTAURANT CHAIN					
1	McDonald's	3.0	26.1 (2)	37.5 (1)	159.0
2	Shoney's	2.0	29.4 (1)	17.0 (2)	22.0
3	Wendy's Intl	-0.1	22.5 (3)	16.4 (3)	49.0
	Industry average	2.2	25.6	31.0	
TELECOMMUNICATIONS-CARRIER					
1	Communications Sat	23.5	186.2 (2)	484.7 (1)	2.5
2	BellSouth	16.8	120.9 (8)	277.0 (5)	94.6
3	Ameritech	14.9	122.8 (6)	245.9 (9)	76.2
4	Pacific Telesis	14.7	122.6 (7)	277.6 (4)	73.2
5	Southwestern Bell	14.7	113.8 (11)	292.3 (3)	69.4
6	Bell Atlantic	14.6	124.5 (5)	264.6 (7)	79.7
7	Nynex	13.5	126.1 (4)	242.5 (10)	89.9
8	US West	13.2	119.1 (10)	268.6 (6)	69.8
9	Cincinnati Bell	11.3	95.4 (15)	190.1 (13)	5.2
10	So N England Telecom	10.2	104.8 (13)	184.6 (14)	13.7
11	Contel	10.2	134.1 (3)	234.9 (11)	22.9
12	Centel	8.7	109.7 (12)	231.2 (12)	12.5
13	United Telecom	7.1	120.8 (9)	251.8 (8)	25.3
14	GTE	7.1	90.2 (16)	163.6 (15)	167.5
15	American Tel & Tel	1.0	104.2 (14)	118.8 (16)	327.3
16	MCI Communications	-33.0	275.3 (1)	403.0 (2)	13.0
	Industry average	8.7	113.7	208.3	
TELECOMMUNICATIONS-MANUFACTURER					
NA	Motorola	2.1	63.8 (NA)	50.7 (NA)	92.3
	Industry average	2.1	63.8	50.7	
TEXTILE MANUFACTURER					
NA	Burlington Inds	1.3	63.7 (NA)	49.4 (NA)	44.0
	Industry average	1.3	63.7	49.4	
THRIFT INSTITUTION					
1	Columbia S&L	262.6	1548.8 (1)	13870.6 (1)	0.7
2	Golden West Finl	73.1	540.1 (8)	4942.5 (9)	2.5
3	Downey S& L	55.1	294.9 (40)	2376.4 (46)	1.0
4	Homestead Financial	51.2	689.9 (3)	6970.0 (3)	0.8
5	Washington Mutual	50.9	324.5 (30)	3824.5 (18)	1.4
6	First Federal Mich	50.2	579.2 (6)	5299.4 (7)	2.1
7	Citadel Holding	44.1	541.0 (7)	4975.7 (8)	0.7
8	Far West Financial	36.3	531.3 (10)	4749.7 (11)	0.6
9	HF Ahmanson	34.2	341.6 (27)	3112.5 (34)	8.9
10	Gt Am First Savings	33.2	444.7 (13)	4621.4 (12)	2.8
11	Farm & Home Savings	29.9	411.7 (15)	4540.6 (13)	0.7
12	Gt Western Financial	29.3	367.2 (19)	2688.5 (41)	10.3
13	Home Federal S&L	29.0	328.3 (29)	3390.8 (26)	3.6
14	Great Lakes Fedl S&L	28.5	367.2 (20)	3355.8 (29)	0.8
15	Coast S&L Assoc	27.7	484.3 (11)	5340.7 (6)	1.8
16	Dime Savings Bank	27.1	282.8 (41)	2679.0 (42)	3.1
17	Fin Cp Santa Barbara	26.0	536.8 (9)	6078.0 (5)	0.8
18	CalFed	25.7	368.2 (18)	3367.6 (27)	6.4
19	Commercial Federal	23.7	419.6 (14)	4051.2 (16)	0.9
20	Apple Bank	22.8	301.0 (38)	4461.7 (14)	0.6
21	Gibraltar Financial	22.6	461.6 (12)	4921.1 (10)	2.5
22	American Continental	22.2	615.0 (4)	3301.0 (32)	1.4
23	GlenFed	22.2	359.5 (23)	3656.7 (20)	4.9
24	Pacific First Finl	19.2	318.3 (32)	3073.8 (36)	1.3
25	Carteret Savings	18.9	396.7 (16)	3617.1 (22)	1.5
26	Crossland Savings	18.5	374.4 (17)	4299.7 (15)	2.3
27	Imperial Corp of Am	18.3	363.2 (22)	3367.5 (28)	2.9
28	American Savings	17.9	343.8 (25)	3643.7 (21)	1.1
29	Fin Corp of America	17.2	599.2 (5)	6107.8 (4)	5.6
30	Perpetual Savings	17.0	345.7 (24)	3325.4 (30)	1.3
31	Western S&L	16.7	303.5 (37)	3064.7 (37)	1.8
32	Society for Savings	15.8	313.2 (35)	2919.2 (38)	1.0
33	Howard Savings Bank	15.5	245.5 (46)	2775.9 (40)	1.5
34	Northeast Savings	15.1	319.9 (31)	3549.4 (23)	1.6
35	Valley Federal S&L	14.2	261.5 (44)	2218.0 (47)	1.2
36	Talman Home Fedl	12.8	253.8 (45)	2447.9 (45)	2.3
37	TCF Banking & Saving	10.7	335.0 (28)	3544.1 (24)	1.8
38	Benjamin Franklin	10.1	341.8 (26)	3095.7 (35)	1.4
39	Rochester Community	10.1	242.9 (47)	2565.7 (44)	1.2
40	Empire of America	9.4	298.9 (39)	2639.4 (43)	3.4
41	CityFed Financial	6.2	201.9 (49)	1777.6 (49)	6.0
42	Atlantic Financial	5.9	363.5 (21)	3890.3 (17)	1.5
43	AmeriFirst Federal	5.7	197.8 (50)	1732.6 (51)	2.4
44	CenTrust Savings	5.5	281.8 (42)	3744.4 (19)	1.6
45	American Capital	5.1	263.5 (43)	2833.2 (39)	1.8
46	Guarantee Financial	4.1	213.8 (48)	1740.8 (50)	1.7
47	Meritor Financial	-1.0	317.4 (33)	3397.9 (25)	5.4
48	Western Capital Inv	-3.6	176.8 (51)	1789.9 (48)	2.0
49	First Columbia Finl	-17.2	315.8 (34)	3256.6 (33)	0.8
50	Florida Federal S&L	-25.3	309.0 (36)	3307.9 (31)	1.7
51	United Financial	-54.3	895.7 (2)	8843.9 (2)	0.7
	Industry average	21.8	368.1	3528.7	
TIRE & RUBBER					
1	GenCorp	4.8	115.4 (1)	78.9 (1)	26.9
2	Goodyear	1.0	74.9 (2)	70.8 (2)	121.6
3	Firestone	0.8	64.5 (3)	48.7 (3)	54.9
	Industry average	1.4	77.4	65.9	
TOBACCO					
1	US Tobacco	30.1	148.0 (2)	151.6 (2)	3.5
2	Philip Morris Cos	13.1	183.8 (1)	156.8 (1)	112.5
3	RJR Nabisco	8.3	125.2 (3)	133.4 (3)	127.6
4	Universal Leaf	3.6	124.3 (4)	77.5 (4)	14.0
	Industry average	10.4	151.1	140.8	
TOYS & ELECTRONICS					
NA	Hasbro	13.4	181.7 (NA)	132.7 (NA)	7.4
	Industry average	13.4	181.7	132.7	
TRUCKING & LEASING					
1	Ryder System	5.2	120.7 (1)	153.2 (1)	31.2
2	Consol Freightways	3.8	91.8 (2)	55.1 (2)	23.2
3	Roadway Services	3.4	76.1 (3)	47.5 (3)	22.6
4	Yellow Freight Systm	2.9	73.2 (4)	36.9 (5)	23.4
5	Leaseway Transport	2.5	65.9 (5)	45.8 (4)	20.0
	Industry average	3.7	88.4	74.0	

Ranking The Forbes 500s

Listed here, all 790 companies that show up on at least one of The Forbes 500s rosters, and where to find them in the main tables.

NO MATTER HOW YOU MEASURE IT—sales, profits, assets or market value—General Motors is one of America's 500 largest corporations. But Millipore, ranked 500th on the Market Value 500 with a capitalization of $888 million, has only $398 million in assets and would be overlooked in any roster of giants that looked at assets alone.

There are a lot of companies like Millipore, large on one score but not on others. This year 790 companies qualify by one or more of the yardsticks used in the 500s tables, but only 254 make all four lists. The following table shows the rankings of the 790 companies on the four lists.

Fiscal year-end results are used for companies with years ending in November, December or January. For all other firms, trailing 12-month figures are used for sales, profits and cash flow. Assets are for the most recently reported quarter. Market value is for Dec. 31, 1986.

Besides the four main tables, this issue includes a review of jobs and productivity *(see p. 183)* and a review of stock market performance and share data *(see p. 232)*. To find a company in the jobs section, first find its main industry group (which will be the first one listed) in the address section that begins on page 278.

Where they rank: 1986										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
356	184	36	56	**Abbott Laboratories**	3,866	3,808	10,441	540.5	740.0	35.2
11	16	60	27	**Aetna Life & Casualty**	66,830	20,483	6,349	865.2	911.8	43.1
483	■	■	■	**Affiliated Bankshares of Colorado**	2,620	265	112	7.1	13.5	2.3
■	■	378	454	**Affiliated Publications**	446	401	1,239	66.1	82.4	3.8
39	248	237	119	**HF Ahmanson**	27,592	3,029	2,138	303.6	375.1	8.9
481	330	253	■	**Air Products & Chemicals**	2,641	2,040	1,995	5.7	237.0	17.7
■	124	331	337	**Albertson's**	1,265	5,380	1,436	100.2	166.6	38.5
■	463	■	■	**Alco Health Services**	437	1,406	230	15.8	20.5	2.1
■	165	■	496	**Alco Standard**	1,271	4,157	856	57.0	101.6	18.6
■	■	413	■	**Alexander & Alexander Services**	2,429	1,068	1,108	42.6	85.2	17.5
■	■	368	358	**Alexander & Baldwin**	934	504	1,262	92.4	134.4	3.3
■	■	■	394	**Alleghany**	1,516	623	431	79.5	89.6	5.4
■	483	■	■	**Allegheny International**	1,183	1,327	135	–164.0	–114.8	18.0
327	401	230	189	**Allegheny Power System**	4,200	1,704	2,251	203.7	354.6	5.8
147	■	■	■	**Allied Bancshares**	9,864	936	487	–17.6	–2.3	3.5
125	39	53	48	**Allied-Signal**	11,268	11,794	6,996	605.0	973.0	140.5
213	147	156	144	**Aluminum Co of America**	6,767	4,667	2,949	264.0	610.9	35.7
307	488	494	■	**AMAX**	4,398	1,308	899	–65.8	78.9	11.6
■	■	402	■	**Amdahl**	1,054	966	1,146	39.3	123.6	7.0
281	172	257	■	**Amerada Hess**	4,914	4,015	1,973	–219.4	248.8	7.8
164	104	91	102	**American Brands***	9,056	6,221	4,669	365.3	494.2	78.6
261	254	231	174	**American Can**	5,350	2,887	2,249	220.0	254.8	24.3
276	■	■	■	**American Capital**	5,100	474	65	9.2	22.0	1.8
299	■	■	■	**American Continental**	4,575	852	139	30.8	37.5	1.4
371	182	131	192	**American Cyanamid**	3,667	3,816	3,581	202.5	392.7	35.4

■ Not on 500 list. *Figures include unconsolidated subsidiaries.

Ranking The Forbes 500s

Where they rank: 1986				Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
Assets	Sales	Market value	Net profits							
102	142	84	65	**American Electric Power**	13,592	4,843	5,322	507.2	945.2	23.4
4	21	26	12	**American Express**	99,476	16,809	12,190	1,250.0	1,250.0	74.6
402	466	438	333	**American Family**	3,302	1,401	1,045	100.7	107.5	2.8
50	105	89	42	**American General**	22,899	6,160	4,713	669.2	722.6	16.4
■	■	■	450	**American Greetings**	1,097	1,073	844	68.4	96.1	19.4
331	138	30	31	**American Home Products**	4,175	4,927	11,400	778.8	887.5	45.4
61	62	40	29	**American International Group**	21,023	8,876	9,976	795.8	859.8	27.1
357	288	364	■	**American Medical International**	3,862	2,494	1,281	−97.4	102.1	45.0
■	206	■	■	**American Motors**	2,225	3,463	335	−91.3	63.8	21.0
354	■	393	148	**American National Insurance**	3,875	828	1,184	248.4	254.7	7.8
■	337	■	■	**American Petrofina**	1,777	2,019	569	−24.6	112.9	3.4
■	449	■	■	**American President Cos Ltd**	1,343	1,440	544	18.0	85.3	3.8
358	■	■	■	**American Savings Bank FSB**	3,833	362	94	18.9	30.2	1.1
■	250	333	205	**American Standard**	2,208	2,998	1,423	193.2	297.5	38.6
374	32	290	268	**American Stores**	3,645	14,021	1,711	144.5	339.7	125.5
25	8	4	115	**American Telephone & Telegraph**	38,883	34,087	26,800	314.0	4,239.0	327.3
328	■	■	■	**AmeriFirst Federal Savings & Loan**	4,189	478	100	13.7	21.2	2.4
75	54	24	16	**Ameritech**	18,739	9,362	12,607	1,138.4	2,802.9	76.2
107	■	■	368	**Ameritrust***	12,882	1,062	785	88.5	104.3	5.0
■	376	■	■	**Ames Department Stores**	890	1,828	886	41.1	70.5	23.0
■	349	■	■	**Amfac**	1,161	1,962	350	−66.6	−24.7	22.0
49	17	10	34	**Amoco**	23,706	18,281	16,684	747.0	3,165.0	48.2
■	353	120	234	**AMP**	1,787	1,933	3,905	164.3	288.7	22.3
198	108	146	131	**AMR**	7,528	6,018	3,150	279.1	667.8	53.2
237	■	■	477	**AmSouth Bancorporation**	5,943	524	616	61.0	72.2	4.3
■	■	439	■	**Anadarko Petroleum**	1,376	206	1,038	10.1	83.2	0.7
243	77	52	63	**Anheuser-Busch Cos**	5,834	7,677	7,024	518.0	795.5	40.6
469	■	■	■	**Apple Bank for Savings**	2,699	182	118	13.8	15.6	0.6
■	334	199	244	**Apple Computer**	1,275	2,030	2,541	155.5	210.7	5.0
363	117	152	158	**Archer Daniels Midland**	3,800	5,558	3,016	235.9	383.0	9.9
■	■	415	466	**Arkla**	2,285	1,000	1,098	64.2	139.7	3.5
491	273	■	■	**Armco**	2,528	2,641	351	−480.3	−349.1	21.6
■	354	336	295	**Armstrong World Industries**	1,298	1,920	1,420	122.4	196.7	21.7
366	98	276	210	**Ashland Oil**	3,767	6,515	1,820	185.5	439.5	33.6
■	■	■	443	**Atlantic City Electric**	1,399	583	683	69.6	112.1	2.1
233	■	■	■	**Atlantic Financial Federal**	5,979	559	43	9.1	33.3	1.5
56	31	35	47	**Atlantic Richfield**	21,604	14,487	10,651	615.1	2,454.4	29.0
■	491	194	307	**Automatic Data Processing**	1,353	1,298	2,601	115.5	223.6	19.3
■	440	485	■	**Avnet**	940	1,477	917	19.2	44.4	9.3
■	255	269	239	**Avon Products**	2,296	2,883	1,885	158.7	238.0	36.8
117	496	227	160	**AZP Group***	12,036	1,274	2,272	234.2	395.5	10.1
■	457	■	■	**Baker International**	1,449	1,412	839	−412.3	−316.1	17.7
■	■	■	485	**Ball Corp**	733	1,070	813	58.9	103.1	9.0
■	422	■	■	**Bally Manufacturing**	2,314	1,593	612	23.7	165.9	42.5
311	373	190	137	**Baltimore Gas & Electric**	4,371	1,834	2,664	274.6	469.7	8.9
85	370	243	198	**Banc One**	17,372	1,847	2,081	199.8	235.3	9.8
303	■	■	■	**Banco Popular de Puerto Rico**	4,525	406	320	37.5	46.2	3.9
474	■	■	■	**BancOklahoma**	2,674	264	17	−139.4	−132.2	1.4
278	■	■	■	**Bancorp Hawaii**	5,060	460	462	46.2	55.7	3.3
33	201	293	163	**Bank of Boston**	34,045	3,540	1,695	232.8	301.0	20.0
51	375	328	230	**Bank of New England**	22,473	1,830	1,451	171.8	209.5	14.0

■ Not on 500 list. *Figures include amounts attributed subsidiaries.

Ranking The Forbes 500s

Where they rank: 1986				Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
Assets	Sales	Market value	Net profits							
64	388	396	245	**Bank of New York**	20,709	1,750	1,166	155.2	186.0	8.5
397	■	■	■	**Bank South**	3,357	311	379	29.0	37.6	2.2
2	37	228	■	**BankAmerica**	104,189	12,072	2,266	-517.6	-257.8	73.3
16	139	144	79	**Bankers Trust New York**	56,420	4,923	3,175	427.9	486.5	10.8
383	■	■	■	**Banks of Mid-America**	3,545	309	32	-49.5	-41.1	1.8
500	■	■	■	**BanPonce**	2,489	226	192	24.4	28.0	2.0
■	■	431	■	**CR Bard**	423	548	1,058	51.2	70.6	6.8
68	360	299	236	**Barnett Banks of Florida**	20,229	1,914	1,656	162.0	215.4	14.9
■	■	395	416	**Bausch & Lomb**	886	699	1,177	74.7	104.1	7.8
208	118	107	67	**Baxter Travenol Laboratories**	7,068	5,543	4,165	502.0	787.0	61.9
194	■	■	486	**BayBanks**	7,628	678	557	58.9	80.7	5.5
27	302	374	225	**Bear Stearns Cos**	36,195	2,349	1,254	174.0	181.9	4.6
■	469	249	287	**Becton Dickinson**	1,709	1,390	2,009	124.8	205.8	18.1
60	49	18	15	**Bell Atlantic**	21,091	9,921	13,431	1,167.1	3,093.7	79.7
44	41	7	6	**BellSouth**	26,218	11,444	18,365	1,588.7	3,524.3	94.6
201	■	371	■	**Beneficial Corp**	7,267	1,134	1,258	-191.0	-175.6	6.8
309	■	■	■	**Benj Franklin Federal S&L**	4,396	485	59	14.3	26.8	1.4
■	233	■	■	**Bergen Brunswig**	829	3,151	274	17.4	27.3	4.1
306	318	142	130	**Berkshire Hathaway**	4,442	2,177	3,235	282.4	282.4	23.0
■	320	■	■	**Best Products**	1,266	2,142	253	-23.0	14.5	18.0
295	161	■	■	**Bethlehem Steel**	4,661	4,333	326	-152.8	143.1	37.5
■	338	448	■	**Beverly Enterprises**	2,220	2,019	1,022	51.5	137.7	110.5
■	381	472	■	**Black & Decker**	1,580	1,798	945	29.0	137.9	22.1
■	■	400	500	**H&R Block**	390	631	1,154	55.9	76.5	3.1
146	■	■	404	**Boatmen's Bancshares**	9,919	832	667	78.1	101.0	5.6
130	23	45	43	**Boeing**	11,068	16,341	7,929	665.0	1,128.0	118.5
384	190	286	332	**Boise Cascade**	3,534	3,740	1,741	101.5	292.9	23.1
379	134	135	172	**Borden**	3,582	5,002	3,451	223.3	360.5	33.8
451	214	140	185	**Borg-Warner**	2,853	3,379	3,268	206.3	343.8	82.6
■	■	471	320	**Boston Edison**	2,393	1,105	950	106.2	229.4	4.4
■	■	497	■	**Bowater**	1,601	920	895	49.4	110.9	4.6
407	■	■	■	**Branch Corp**	3,281	304	291	28.0	33.2	2.6
330	143	27	50	**Bristol-Myers**	4,183	4,836	11,817	589.5	694.4	35.4
■	■	362	374	**Brown-Forman**	1,027	1,069	1,297	86.1	115.0	6.7
■	462	■	■	**Brown Group**	677	1,407	621	39.5	65.8	25.5
■	470	138	264	**Browning-Ferris Industries**	1,489	1,387	3,271	145.7	289.0	18.0
■	397	321	312	**Brunswick**	1,875	1,717	1,500	110.3	171.8	22.8
■	260	404	488	**Burlington Industries**	2,174	2,805	1,133	58.1	201.8	44.0
136	90	118	■	**Burlington Northern**	10,651	6,941	3,929	-524.6	71.7	45.9
■	■	■	464	**Cabot**	1,509	1,254	834	64.7	151.5	7.2
57	300	■	233	**CalFed**	21,553	2,356	825	164.4	218.6	6.4
230	■	■	■	**California First Bank**	5,996	561	387	30.7	41.5	4.0
439	155	128	168	**Campbell Soup**	2,941	4,484	3,699	227.9	354.7	45.8
263	168	103	215	**Capital Cities/ABC**	5,293	4,124	4,324	181.9	340.5	19.9
185	306	313	139	**Capital Holding**	7,925	2,292	1,549	273.4	292.9	8.3
203	329	149	103	**Carolina Power & Light**	7,207	2,041	3,095	357.8	614.4	9.4
■	456	■	■	**Carson Pirie Scott**	689	1,413	375	18.7	53.8	25.0
■	169	467	■	**Carter Hawley Hale Stores**	2,487	4,090	962	47.6	122.6	52.0
252	■	■	■	**Carteret Savings Bank**	5,541	608	169	29.0	37.3	1.5
■	391	490	■	**Castle & Cook**	1,519	1,738	907	43.9	87.3	35.0
221	82	116	409	**Caterpillar**	6,288	7,321	3,966	76.0	512.0	54.0

■ Not on 500 list

Ranking The Forbes 500s

Where they rank: 1986				Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
Assets	Sales	Market value	Net profits							
392	148	155	92	**CBS**	3,370	4,646	2,988	389.2	496.9	22.1
446	475	303	315	**Centel**	2,888	1,370	1,617	109.0	302.3	12.5
145	359	150	90	**Centerior Energy**	9,968	1,918	3,076	391.9	532.9	9.2
247	■	■	■	**Centerre Bancorporation**	5,665	501	277	30.1	42.5	3.5
■	478	■	■	**Centex**	937	1,358	558	48.1	62.2	4.6
205	277	141	104	**Central & South West**	7,141	2,553	3,246	355.2	599.5	9.3
304	■	■	■	**Central Bancorporation**	4,510	436	482	53.1	63.1	2.8
365	■	■	■	**Central Bancshares of the South**	3,777	354	380	36.5	45.9	2.6
332	■	■	■	**Central Fidelity Banks**	4,137	380	448	41.7	49.0	2.8
■	■	■	461	**Central Hudson Gas & Electric**	1,158	439	425	64.9	90.6	1.3
■	■	469	422	**Central Illinois Public Service**	1,630	626	957	73.7	134.2	2.8
224	■	■	■	**CenTrust Savings**	6,167	464	89	9.1	43.2	1.6
■	■	■	494	**Certainteed**	813	1,114	593	57.3	110.9	7.2
228	159	164	196	**Champion International**	6,026	4,388	2,897	200.8	471.3	37.6
■	■	453	■	**Charming Shoppes**	237	521	997	40.5	49.1	6.5
5	52	167	51	**Chase Manhattan**	94,766	9,460	2,880	585.4	758.7	47.0
14	121	240	87	**Chemical New York**	60,564	5,488	2,115	402.4	508.3	20.3
31	11	12	37	**Chevron**	34,583	24,352	15,523	715.4	3,502.2	56.0
94	14	82	10	**Chrysler**	14,463	22,586	5,345	1,403.6	1,947.2	115.1
202	227	222	141	**Chubb**	7,227	3,209	2,302	267.9	283.1	9.3
19	19	102	39	**Cigna**	50,016	17,064	4,324	691.7	824.8	49.7
■	■	■	487	**Cincinnati Bell**	982	493	675	58.2	116.8	5.2
■	■	480	354	**Cincinnati Financial**	1,553	776	926	93.5	101.1	1.5
428	464	391	227	**Cincinnati Gas & Electric**	3,066	1,403	1,196	172.9	256.3	4.5
■	315	■	■	**Circle K**	1,079	2,216	796	47.2	96.2	18.0
408	■	■	■	**Citadel Holding**	3,274	356	178	29.0	32.0	0.7
1	13	50	20	**Citicorp**	196,124	23,496	7,294	1,058.0	1,508.0	84.9
73	407	326	243	**Citizens & Southern**	18,757	1,663	1,455	155.8	213.5	12.7
421	■	■	■	**City National**	3,142	276	377	29.7	37.2	2.1
133	■	■	■	**CityFed Financial**	10,728	1,218	217	37.5	70.2	6.0
■	■	348	335	**Clorox**	850	1,085	1,352	100.6	127.7	5.4
150	■	■	■	**Coast Savings & Loan Assn**	9,725	882	167	50.4	69.0	1.8
190	96	428	432	**Coastal Corp**	7,777	6,668	1,066	71.6	396.7	16.4
175	65	16	23	**Coca-Cola**	8,373	8,669	14,534	934.3	1,364.0	35.0
360	351	252	■	**Coca-Cola Enterprises**	3,811	1,951	1,995	27.8	123.1	21.0
453	135	169	221	**Colgate-Palmolive**	2,846	4,985	2,862	177.5	266.7	37.9
455	■	■	■	**Colorado National Bankshares**	2,828	321	140	2.2	14.1	2.9
■	419	■	366	**Colt Industries**	1,145	1,616	292	89.3	135.6	19.1
248	216	263	338	**Columbia Gas System**	5,590	3,370	1,924	99.4	359.7	10.7
140	■	■	204	**Columbia Savings & Loan Assn**	10,223	1,141	155	193.5	202.3	0.7
239	379	287	150	**Combined International**	5,905	1,806	1,736	247.2	299.1	7.4
■	279	447	■	**Combustion Engineering**	2,161	2,551	1,023	50.9	118.4	24.5
■	■	■	469	**Comdisco**	1,710	887	622	63.5	97.4	0.8
144	■	■	473	**Comerica**	9,983	937	503	61.9	79.4	6.1
262	■	■	■	**Commerce Bancshares**	5,293	471	356	39.2	51.8	4.0
■	■	414	■	**Commerce Clearing House**	448	505	1,098	47.6	66.8	6.2
355	■	■	■	**Commerce Union**	3,875	367	462	40.1	47.8	2.4
283	■	429	■	**Commercial Credit**	4,864	1,105	1,059	45.9	45.9	4.9
387	■	■	■	**Commercial Federal**	3,444	357	103	20.1	24.8	0.9
69	122	54	21	**Commonwealth Edison**	19,389	5,479	6,868	1,049.6	1,689.7	18.5
■	■	■	484	**Communications Satellite**	1,214	466	463	58.9	162.5	2.5

■ Not on 500 list

Ranking The Forbes 500s

Where they rank: 1986				Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
Assets	Sales	Market value	Net profits							
■	■	486	■	Community Psychiatric Centers	330	231	916	51.3	58.2	4.2
■	101	265	304	ConAgra	2,077	6,357	1,901	117.4	177.3	32.0
316	■	■	■	Conifer Group	4,305	411	565	37.8	46.0	2.8
159	132	77	54	Consolidated Edison	9,111	5,198	5,585	546.4	848.7	20.9
■	322	399	367	Consolidated Freightways	1,275	2,124	1,158	89.1	183.4	23.2
359	274	183	223	Consolidated Natural Gas	3,826	2,623	2,699	174.7	362.2	7.6
■	■	409	369	Consolidated Papers	723	653	1,122	87.5	120.0	4.4
171	238	344	219	Consumers Power	8,631	3,108	1,375	177.8	405.1	10.9
260	244	234	162	Contel	5,385	3,074	2,177	232.9	636.9	22.9
101	109	178	77	Continental Corp	13,623	6,002	2,737	449.6	472.4	17.1
35	276	■	342	Continental Illinois	32,809	2,566	578	98.7	130.7	9.4
485	217	420	■	Control Data	2,595	3,347	1,090	−268.5	−68.5	36.6
391	211	250	258	Cooper Industries	3,400	3,433	2,003	147.7	274.9	43.1
■	486	■	483	Adolph Coors	1,396	1,315	872	59.4	151.5	9.6
93	468	339	256	CoreStates Financial	14,595	1,391	1,401	148.1	180.5	7.5
■	368	213	235	Corning Glass Works	2,361	1,856	2,442	162.2	292.3	24.9
372	150	137	175	CPC International	3,651	4,549	3,272	219.2	390.0	38.9
■	■	211	288	Cray Research	700	597	2,449	124.8	181.4	3.6
142	■	■	■	CrossLand Savings FSB	10,096	879	232	43.5	81.8	2.3
■	418	445	395	Crown Cork & Seal	939	1,619	1,027	79.4	126.6	12.5
108	102	99	81	CSX	12,661	6,345	4,486	418.0	845.0	50.5
390	■	■	■	Cullen/Frost Bankers	3,410	326	105	−6.6	2.8	2.2
■	304	■	■	Cummins Engine	1,990	2,304	711	−107.3	−0.7	21.2
■	447	■	■	Cyclops	579	1,441	261	21.3	39.3	9.0
494	194	311	376	Dana	2,525	3,695	1,556	85.9	189.7	37.6
■	494	■	■	Data General	1,243	1,288	789	7.9	108.6	16.1
479	■	■	■	Dauphin Deposit	2,654	252	297	29.4	33.5	1.5
264	56	110	106	Dayton-Hudson	5,282	9,259	4,138	342.3	525.0	126.0
282	■	■	■	DCNY Corp	4,868	273	218	24.6	24.6	0.3
■	476	■	■	Dean Foods	351	1,361	742	39.5	64.3	5.8
288	224	312	■	Deere	4,745	3,293	1,553	−395.0	−196.0	39.0
■	■	450	348	Delmarva Power & Light	1,743	715	1,006	96.1	166.2	2.6
280	153	220	201	Delta Air Lines	4,952	4,517	2,336	194.4	495.4	39.0
■	■	154	299	Deluxe Check Printers	661	867	3,006	121.1	153.2	13.1
411	■	■	■	Deposit Guaranty	3,241	310	259	31.1	41.6	2.1
143	256	215	69	Detroit Edison	9,998	2,869	2,421	477.1	709.3	11.0
385	286	349	■	Diamond Shamrock	3,517	2,513	1,344	−115.6	308.9	9.6
184	68	17	28	Digital Equipment	7,966	8,414	13,603	861.6	1,263.1	91.9
■	369	394	419	Dillard Department Stores	1,213	1,851	1,179	74.5	125.8	18.4
176	■	■	379	Dime Savings Bank of New York FSB	8,367	883	406	84.6	90.7	3.1
395	268	75	120	Walt Disney	3,368	2,722	5,641	302.4	643.1	31.0
238	■	■	■	Dominion Bankshares	5,921	561	447	47.4	57.8	3.9
166	245	108	96	Dominion Resources	8,940	3,072	4,158	379.8	768.5	13.9
■	312	217	240	RR Donnelley & Sons	1,741	2,234	2,386	158.3	277.3	20.6
■	448	317	381	Dover	1,030	1,440	1,509	83.8	130.5	16.6
115	43	33	35	Dow Chemical	12,242	11,113	11,189	741.0	1,485.0	52.3
■	■	127	212	Dow Jones	1,236	1,135	3,773	183.4	249.5	7.0
■	■	■	495	Downey Savings & Loan Assn	2,467	306	210	57.2	61.9	1.0
■	■	430	284	DPL	2,284	964	1,058	125.9	182.6	2.8
427	208	324	■	Dresser Industries	3,083	3,454	1,466	−24.8	133.6	43.0
■	■	385	391	Dreyfus	604	232	1,226	80.6	82.3	0.8

■ Not on 500 list.

Ranking The Forbes 500s

Where they rank: 1986				Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
Assets	Sales	Market value	Net profits							
43	10	6	7	El du Pont de Nemours	26,733	26,907	20,158	1,538.0	3,657.0	143.6
179	213	94	71	Duke Power	8,227	3,401	4,581	467.8	970.0	20.4
425	237	43	107	Dun & Bradstreet	3,118	3,114	7,999	340.0	504.0	59.1
340	■	496	253	Duquesne Light	4,039	896	896	151.4	248.7	4.6
■	■	488	476	E-Systems	628	1,135	909	61.6	86.2	14.2
106	40	13	99	Eastman Kodak	12,896	11,550	15,497	374.0	1,349.0	125.2
433	183	236	272	Eaton	3,025	3,812	2,156	137.6	241.5	42.3
■	■	475	■	Echlin	784	879	941	52.0	75.2	10.9
■	■	■	349	El Paso Electric	2,194	318	666	95.6	114.8	1.1
301	133	61	82	Emerson Electric	4,558	5,156	6,084	414.7	587.7	60.7
■	324	451	■	Emhart	1,857	2,094	1,000	–10.2	67.9	32.3
160	■	■	■	Empire of America FSB	9,095	1,030	68	32.5	61.8	3.4
■	308	■	■	Engelhard	1,043	2,290	764	53.3	96.0	7.0
173	79	282	490	Enron	8,490	7,591	1,754	57.7	464.7	9.6
412	267	481	■	Enserch	3,234	2,723	925	18.2	160.5	18.3
289	■	■	■	Entex*	4,741	1,147	336	–145.4	–69.4	4.6
322	■	■	■	Equitable Bancorporation	4,254	410	305	36.5	44.1	2.9
377	313	219	220	Ethyl*	3,592	2,232	2,366	177.7	262.2	10.5
10	2	2	1	Exxon	69,484	69,888	50,329	5,360.0	9,775.0	123.0
431	■	■	■	Far West Financial	3,030	339	116	23.2	27.1	0.6
403	■	■	■	Farm & Home Savings Assn	3,301	299	154	21.7	24.1	0.7
418	■	188	181	Farmers Group	3,197	1,120	2,673	213.5	238.1	14.7
■	499	■	492	Federal Co	453	1,262	662	57.6	92.3	11.0
■	253	143	■	Federal Express	2,264	2,901	3,234	–74.8	151.7	34.0
3	45	153	214	Federal National Mortgage Assn	100,406	10,540	3,006	183.0	183.0	2.2
232	46	122	121	Federated Department Stores	5,982	10,512	3,883	301.9	548.6	133.8
123	■	■	360	Fidelcor	11,392	1,026	745	92.3	117.3	5.2
386	■	■	■	Fifth Third Bancorp	3,492	325	585	55.1	60.2	2.1
34	220	■	350	Financial Corp of America	33,953	3,331	269	95.4	153.4	5.6
300	■	■	■	Financial Corp of Santa Barbara	4,559	403	61	19.5	27.8	0.8
158	193	221	166	Fireman's Fund	9,178	3,699	2,327	228.4	247.5	12.4
475	202	425	■	Firestone Tire & Rubber	2,671	3,537	1,074	43.0	176.0	54.9
308	■	■	■	First Alabama Bancshares	4,397	401	704	54.1	64.8	3.7
235	■	■	■	First American	5,951	528	511	53.3	67.3	3.4
37	251	330	191	First Bank System	28,011	2,930	1,448	202.9	232.1	10.0
20	225	355	218	First Boston	48,618	3,258	1,329	180.6	198.1	4.0
497	■	■	■	First Capital	2,510	214	231	23.5	29.2	1.5
24	175	310	135	First Chicago	39,148	4,001	1,568	276.2	357.7	14.1
430	■	■	■	First Citizens Bancshares	3,032	294	288	23.3	36.3	3.5
99	459	■	■	First City Bancorporation of Texas	13,681	1,410	114	–402.0	–371.7	8.1
471	■	■	■	First Columbia Financial	2,696	261	41	–14.3	–11.1	0.8
373	■	■	■	First Commerce	3,650	350	161	3.6	19.9	2.5
442	■	■	■	First Empire State	2,919	271	203	26.2	30.8	2.0
95	198	418	242	First Executive	14,384	3,629	1,092	157.0	157.0	0.9
124	■	■	318	First Federal of Michigan	11,272	1,232	250	106.7	116.1	2.1
91	■	463	301	First Fidelity Bancorp	15,170	1,210	970	119.5	139.1	9.2
284	■	■	■	First Florida Banks	4,845	412	475	47.2	66.3	3.5
376	■	■	■	First Hawaiian	3,610	311	278	30.8	37.1	2.2
17	131	212	108	First Interstate Bancorp	55,422	5,238	2,445	337.9	457.1	35.4
313	■	■	■	First Jersey National	4,366	404	335	37.4	48.6	3.7
269	■	■	■	First Kentucky National	5,128	478	532	50.1	57.7	4.4

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Ranking The Forbes 500s

Where they rank: 1986										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
256	■	■	■	First Maryland Bancorp	5,487	529	392	36.1	51.9	3.9
312	■	■	■	First National Cincinnati	4,368	386	429	40.1	51.5	2.5
188	■	■	■	First of America Bank	7,870	555	401	52.9	61.2	5.4
240	■	■	■	First Pennsylvania	5,888	534	211	21.5	31.0	3.6
277	■	■	■	First Security	5,080	610	277	5.1	16.6	4.6
250	■	■	■	First Tennessee National	5,556	526	428	47.4	67.3	4.1
42	283	191	126	First Union	26,820	2,529	2,657	295.8	374.9	17.6
352	■	■	■	First Virginia Banks	3,881	397	487	47.7	56.1	3.6
76	392	260	203	First Wachovia	18,690	1,730	1,953	193.8	237.6	12.7
207	■	■	■	First Wisconsin	7,090	667	458	52.7	72.4	5.8
■	482	■	■	Fischbach	515	1,342	102	19.4	27.7	13.0
120	■	392	273	Fleet Financial Group	11,690	1,208	1,196	136.7	175.4	7.7
■	78	■	■	Fleming Cos	1,242	7,653	763	39.3	81.4	15.7
257	■	■	■	Florida Federal Savings & Loan Assn	5,465	511	119	41.8	34.0	1.7
210	■	■	■	Florida National Banks of Florida	6,877	644	473	34.4	55.0	4.7
378	365	258	216	Florida Progress	3,590	1,875	1,970	181.2	337.0	7.6
499	157	487	■	Fluor	2,489	4,457	911	100.4	23.6	24.6
473	249	398	250	FMC	2,686	3,003	1,160	152.5	344.6	26.5
■	295	259	475	Food Lion	605	2,407	1,966	61.8	91.4	19.0
26	3	15	3	Ford Motor	37,697	62,716	14,661	3,285.1	6,244.7	382.3
■	432	148	261	Fort Howard Paper	2,096	1,549	3,096	146.4	248.7	15.5
■	500	■	■	Foster Wheeler	1,130	1,258	453	28.0	46.5	12.1
480	■	■	■	Fourth Financial	2,644	248	279	30.5	36.8	1.6
137	123	111	101	FPL Group*	10,638	5,429	4,112	365.4	766.1	17.9
■	■	387	■	Freeport-McMoRan	2,359	630	1,219	25.7	144.9	2.1
■	■	360	390	GAF	1,447	754	1,305	80.7	98.0	4.3
396	261	72	134	Gannett	3,366	2,801	5,826	276.4	419.6	32.4
■	■	369	451	Gap	364	848	1,262	68.1	89.0	11.5
466	454	302	176	Geico	2,715	1,430	1,647	217.7	227.9	5.7
■	240	300	279	GenCorp	2,119	3,099	1,653	130.0	287.0	26.9
■	■	139	■	Genentech	376	127	3,270	352.2	344.1	1.0
■	■	319	290	General Cinema	1,288	999	1,506	124.0	173.2	12.5
302	61	162	■	General Dynamics	4,553	8,892	2,908	52.5	217.6	103.2
30	7	3	5	General Electric	34,591	35,211	39,207	2,492.0	3,952.0	325.5
■	141	124	178	General Mills	2,226	4,843	3,803	217.6	340.3	62.6
9	1	5	4	General Motors	72,403	102,814	20,932	2,944.8	9,538.5	876.0
226	263	335	188	General Public Utilities	6,086	2,787	1,422	205.2	485.1	13.8
170	230	74	117	General Re	8,677	3,175	5,707	305.3	306.0	2.3
■	423	365	418	General Signal	1,458	1,583	1,269	74.6	135.2	21.2
■	298	225	298	Genuine Parts	1,011	2,394	2,285	121.6	141.5	13.6
271	87	114	125	Georgia-Pacific	5,114	7,223	3,972	296.0	635.0	39.0
■	284	■	■	Giant Food	761	2,528	750	46.5	92.1	20.7
114	■	■	499	Gibraltar Financial	12,249	1,132	220	56.3	73.4	2.5
490	258	170	■	Gillette	2,540	2,818	2,830	15.8	122.9	31.8
79	387	■	314	GlenFed	18,046	1,774	517	109.7	189.8	4.9
111	477	419	211	Golden West Financial	12,435	1,359	1,090	183.8	207.2	2.5
■	278	455	■	BF Goodrich	1,820	2,553	988	12.9	109.6	11.9
172	59	113	289	Goodyear Tire & Rubber	8,610	9,103	4,065	124.1	502.7	121.6
336	191	248	■	WR Grace	4,097	3,726	2,041	472.3	101.9	39.5
■	■	372	375	WW Grainger	820	1,160	1,257	86.1	105.4	5.4
105	■	■	353	Great American First Savings	13,065	1,257	397	93.7	117.7	2.8

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Ranking The Forbes 500s

Where they rank: 1986				Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
Assets	Sales	Market value	Net profits							
■	74	498	446	Great Atlantic & Pacific Tea	1,784	7,835	894	69.0	162.0	60.0
472	■	■	■	Great Lakes Federal Savings & Loan	2,691	294	76	22.8	30.3	0.8
■	331	288	378	Great Northern Nekoosa	2,077	2,039	1,720	85.3	199.9	14.0
38	186	241	123	Great Western Financial	27,630	3,773	2,095	300.8	336.5	10.3
270	243	386	208	Greyhound*	5,122	3,088	1,223	186.2	254.2	35.9
■	209	■	399	Grumman	1,964	3,440	799	78.7	160.1	32.7
41	28	23	14	GTE	27,402	15,112	12,841	1,184.3	3,489.4	167.5
450	■	■	■	Guarantee Financial Corp of California	2,874	353	93	6.7	15.6	1.7
109	174	121	145	Gulf & Western*	12,568	4,007	3,894	263.8	563.6	19.7
225	439	■	153	Gulf States Utilities	6,117	1,478	796	245.0	407.3	5.0
400	204	198	■	Halliburton	3,329	3,527	2,582	–515.2	–234.5	55.9
■	■	■	397	Hanover Insurance Cos	1,891	1,162	655	78.9	78.9	4.2
■	490	427	436	Harcourt Brace Jovanovich*	2,413	1,300	1,069	70.5	123.4	13.4
■	344	381	447	Harris Corp	1,773	1,989	1,235	68.6	208.9	29.1
98	■	454	309	Hartford National	13,879	1,026	991	114.0	141.3	7.1
■	481	444	340	Hasbro	982	1,345	1,027	99.2	143.0	7.4
410	151	85	111	HJ Heinz	3,270	4,546	5,289	326.4	417.8	46.0
293	232	209	■	Henley Group	4,698	3,172	2,477	–426.0	–292.0	22.4
444	275	176	170	Hercules	2,914	2,615	2,772	226.7	352.0	25.3
■	319	233	275	Hershey Foods	1,356	2,170	2,221	132.8	191.7	15.6
218	85	34	60	Hewlett-Packard	6,391	7,245	10,751	523.0	848.0	83.0
320	■	■	■	Hibernia	4,288	364	363	35.3	42.1	1.9
■	■	491	■	Hillenbrand Industries	587	641	906	50.5	99.8	6.9
■	■	297	345	Hilton Hotels	1,302	719	1,672	97.8	146.2	34.5
■	410	298	327	Holiday Corp	2,278	1,648	1,663	103.4	259.6	45.0
116	■	■	328	Home Federal Savings & Loan	12,075	1,169	551	103.4	126.8	3.6
246	316	■	265	Home Group	5,681	2,194	769	145.1	145.1	6.5
■	■	308	■	Home Shopping Network	391	365	1,595	29.0	32.6	1.4
■	■	384	■	Homestake Mining	693	312	1,226	22.6	82.0	2.0
255	■	■	■	Homestead Financial	5,492	544	97	40.4	45.8	0.8
268	125	184	■	Honeywell	5,139	5,378	2,698	–398.1	–1[illegible]3.5	74.7
382	■	■	■	Horizon Bancorp	3,552	330	449	34.6	42..	2.8
■	356	■	■	George A Hormel	660	1,920	658	34.6	65.8	6.5
212	137	208	224	Hospital Corp of America	6,793	4,931	2,486	174.6	469.3	89.0
104	265	261	149	Household International	13,207	2,741	1,937	247.8	292.0	21.5
165	203	115	80	Houston Industries	9,028	3,536	3,966	424.9	722.8	12.2
319	■	■	■	Howard Savings Bank	4,294	380	261	24.0	29.8	1.5
436	271	272	■	Humana	2,968	2,667	1,864	38.6	220.8	44.6
191	■	■	462	Huntington Bancshares	7,718	702	597	64.7	79.3	4.7
46	264	380	■	EF Hutton Group	25,922	2,760	1,236	–90.3	–34.8	18.2
292	164	197	■	IC Industries	4,713	4,222	2,582	–136.7	0.7	38.4
177	433	442	252	ICH	8,327	1,545	1,032	152.0	161.9	3.9
■	■	499	401	Idaho Power	1,630	409	892	78.4	127.7	1.5
258	■	262	128	Illinois Power	5,432	1,184	1,927	292.7	376.5	4.6
■	■	354	393	Illinois Tool Works	1,276	961	1,329	79.6	116.8	8.9
151	■	■	■	Imperial Corp of America	9,597	1,035	195	52.1	68.1	2.9
■	■	457	■	IMS International	366	376	984	38.6	56.6	4.6
272	■	■	■	Indiana National	5,106	458	426	43.0	51.2	2.9
■	262	410	334	Ingersoll-Rand	2,355	2,799	1,118	100.6	174.9	32.3
492	231	■	■	Inland Steel Industries	2,527	3,173	563	19.3	143.2	22.7
275	■	■	■	Integrated Resources	5,100	830	166	28.6	28.6	3.4

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Ranking The Forbes 500s

Where they rank: 1986				Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
Assets	Sales	Market value	Net profits							
■	498	210	■	**Intel**	2,080	1,265	2,473	–183.3	–9.8	19.8
■	280	437	343	**Interco**	1,759	2,545	1,052	98.5	144.2	47.0
81	383	■	■	**InterFirst**	17,986	1,790	311	–326.5	–280.5	8.9
■	■	468	437	**Intergraph**	613	606	959	70.4	83.9	5.7
15	4	1	2	**International Business Machines**	57,814	51,250	72,711	4,789.0	8,777.0	404.5
■	■	340	377	**International Flavors & Fragrances**	673	621	1,400	85.7	104.5	3.8
■	441	■	■	**International Minerals & Chemicals**	2,392	1,463	722	–237.2	–142.7	10.0
■	471	■	■	**International Multifoods**	625	1,387	352	20.1	36.0	8.6
189	120	119	118	**International Paper**	7,848	5,500	3,927	305.0	631.0	38.0
■	■	■	489	**Iowa-Illinois Gas & Electric**	1,119	538	595	57.8	113.1	1.5
■	■	492	293	**Ipalco Enterprises**	1,744	512	906	122.7	181.7	2.3
48	352	■	282	**Irving Bank**	24,233	1,935	829	128.1	166.1	10.0
28	20	47	57	**ITT***	35,805	16,946	7,544	539.5	907.3	124.0
■	443	■	■	**IU International**	822	1,455	403	46.5	104.2	14.0
339	176	174	259	**James River Corp of Virginia**	4,040	3,982	2,788	147.1	228.8	34.5
362	■	346	292	**Jefferson-Pilot**	3,805	1,040	1,361	123.1	126.6	5.4
457	303	320	247	**Jim Walter**	2,811	2,348	1,501	154.4	255.0	17.2
241	88	31	110	**Johnson & Johnson**	5,877	7,003	11,343	329.5	604.7	76.0
■	281	422	383	**Johnson Controls**	1,679	2,535	1,082	83.2	176.0	28.0
138	12	69	49	**K mart**	10,578	23,812	5,853	598.7	975.7	320.0
416	314	■	■	**Kaiser Aluminum & Chemical**	3,218	2,222	622	–32.7	84.5	13.1
468	■	■	319	**Kansas City Power & Light**	2,702	665	867	106.5	209.1	2.8
■	■	477	497	**Kansas Gas & Electric**	2,267	496	933	57.0	148.5	2.5
■	■	476	362	**Kansas Power & Light**	1,743	1,199	940	91.4	156.6	4.5
310	■	■	■	**Kaufman & Broad**	4,375	1,138	311	44.2	50.1	2.4
■	219	59	112	**Kellogg**	2,084	3,341	6,394	318.9	411.6	17.2
149	221	318	195	**Kemper**	9,735	3,330	1,509	201.1	201.1	16.4
■	■	■	465	**Kentucky Utilities**	1,309	551	782	64.2	112.7	2.0
426	282	347	■	**Kerr-McGee**	3,090	2,535	1,360	–292.0	67.0	7.9
162	■	■	385	**KeyCorp**	9,073	825	636	82.2	102.0	7.4
■	301	■	■	**Kidde**	1,731	2,356	668	25.2	81.7	35.0
369	162	130	140	**Kimberly-Clark**	3,676	4,303	3,671	269.4	438.7	36.6
■	361	189	269	**Knight-Ridder**	1,947	1,911	2,667	140.0	222.7	23.0
■	467	■	471	**Koppers**	1,017	1,396	852	63.2	133.7	10.9
287	64	56	91	**Kraft**	4,749	8,742	6,678	390.1	503.1	51.3
337	18	203	■	**Kroger**	4,076	17,123	2,511	51.5	262.7	165.0
■	485	■	■	**Leaseway Transportation**	916	1,318	465	50.8	137.2	20.0
484	■	■	■	**Liberty National Bancorp**	2,600	227	223	22.7	34.0	1.6
454	■	■	■	**Life Investors**	2,841	1,023	438	35.0	40.4	1.6
297	192	37	53	**Eli Lilly**	4,596	3,720	10,325	558.2	735.9	28.6
■	236	64	169	**Limited**	1,377	3,143	5,993	227.8	326.8	38.4
■	■	322	467	**LIN Broadcasting**	539	195	1,476	63.8	77.3	1.0
87	110	247	129	**Lincoln National**	16,244	5,999	2,053	284.4	309.3	12.9
305	163	264	■	**Litton Industries**	4,487	4,291	1,910	48.9	195.3	56.9
■	■	274	373	**Liz Claiborne**	336	813	1,850	86.2	90.6	2.6
236	48	136	86	**Lockheed**	5,943	10,273	3,288	408.0	681.0	92.4
72	71	90	55	**Loews**	19,024	8,256	4,710	545.5	603.8	22.4
350	■	■	474	**Lomas & Nettleton Financial**	3,885	469	836	61.9	76.8	3.4
■	■	■	305	**Lone Star Industries**	1,466	883	478	117.4	163.6	7.0
168	347	408	113	**Long Island Lighting**	8,844	1,977	1,125	316.7	386.8	5.9
■	412	■	■	**Longs Drug Stores**	442	1,635	626	38.6	51.2	11.5

■ Not on 500 list. *Figures include unconsolidated subsidiaries.

Ranking The Forbes 500s

Where they rank: 1986				Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
Assets	Sales	Market value	Net profits							
■	■	484	498	**Loral**	725	684	920	56.6	88.6	7.3
290	■	■	■	**Louisiana Bancshares**	4,741	478	182	–6.3	7.8	3.3
■	436	406	460	**Louisiana-Pacific**	1,887	1,506	1,129	64.9	184.9	12.5
■	■	■	425	**Louisville Gas & Electric**	1,625	660	738	73.3	118.9	3.8
■	309	443	■	**Lowe's Cos**	969	2,283	1,030	55.1	85.6	14.1
254	84	■	■	**LTV**	5,495	7,271	154	–3,251.6	–3,012.6	51.9
■	■	376	403	**Lubrizol**	878	985	1,250	78.2	126.0	5.0
■	100	446	161	**Lucky Stores**	1,599	6,441	1,023	233.3	319.0	54.5
■	399	■	■	**Mack Trucks**	1,014	1,712	320	–34.1	–4.5	11.6
■	■	465	493	**Macmillan**	807	818	969	57.6	91.8	8.3
8	76	266	84	**Manufacturers Hanover**	74,397	7,794	1,896	410.7	580.2	31.2
180	■	■	482	**Manufacturers National**	8,110	660	449	60.0	71.7	4.2
496	355	■	388	**Manville**	2,513	1,920	45	81.2	170.9	19.5
■	427	370	402	**Mapco**	1,405	1,570	1,261	78.3	150.5	5.2
333	■	■	■	**Marine**	4,130	397	235	35.4	46.0	2.7
47	311	■	266	**Marine Midland Banks**	24,790	2,244	852	144.9	177.2	12.0
■	■	171	435	**Marion Laboratories**	340	474	2,824	71.0	83.9	2.4
298	129	126	206	**Marriott**	4,579	5,267	3,788	191.7	332.8	174.6
■	380	98	154	**Marsh & McLennan Cos**	1,477	1,804	4,488	243.2	298.7	18.8
229	■	■	■	**Marshall & Ilsley**	6,001	569	498	55.0	71.2	4.6
■	145	239	193	**Martin Marietta**	2,471	4,753	2,122	202.3	355.3	70.0
152	■	■	361	**Maryland National**	9,513	982	721	91.8	112.5	5.7
■	444	125	190	**Masco**	2,226	1,452	3,795	203.4	247.4	21.0
223	47	80	95	**May Department Stores**	6,209	10,376	5,422	381.0	644.0	148.1
■	394	254	306	**Maytag**	877	1,724	1,992	116.9	150.8	12.2
478	292	163	246	**MCA**	2,658	2,441	2,908	155.2	974.3	16.3
234	166	46	68	**McDonald's**	5,969	4,144	7,704	479.7	764.3	159.0
186	35	165	132	**McDonnell Douglas**	7,911	12,661	2,890	277.5	785.4	101.4
■	425	177	249	**McGraw-Hill**	1,463	1,577	2,760	154.0	205.5	14.9
265	199	279	■	**MCI Communications**	5,258	3,592	1,781	–431.0	20.0	13.0
■	95	353	355	**McKesson**	2,263	6,671	1,334	93.3	151.1	15.2
53	321	■	■	**MCorp**	21,887	2,129	431	–82.1	–49.1	11.3
464	226	291	■	**Mead**	2,721	3,218	1,710	43.4	185.9	19.1
■	■	423	442	**Medtronic**	528	469	1,078	69.8	95.5	4.9
32	207	315	213	**Mellon Bank**	34,499	3,457	1,523	183.3	240.9	18.4
■	130	158	156	**Melville**	1,999	5,262	2,929	238.3	306.0	78.2
214	■	■	■	**Mercantile Bancorporation**	6,586	660	434	55.3	67.9	4.5
429	■	■	■	**Mercantile Bankshares**	3,055	294	498	39.5	46.3	2.5
■	336	337	311	**Mercantile Stores**	1,262	2,028	1,411	111.1	157.9	22.0
349	■	■	■	**Merchants National**	3,902	362	344	32.1	38.9	1.9
273	167	9	40	**Merck**	5,105	4,129	16,897	675.7	869.6	30.8
211	■	■	445	**Meridian Bancorp**	6,801	735	565	69.1	83.4	5.2
77	395	■	■	**Meritor Financial Group**	18,447	1,723	307	–5.2	79.9	5.4
18	51	117	70	**Merrill Lynch**	53,013	9,475	3,951	469.2	647.0	46.4
■	404	■	■	**Fred Meyer**	534	1,688	285	24.1	53.4	15.8
192	■	■	■	**Michigan National**	7,672	838	500	52.2	73.4	6.7
■	■	373	491	**Microsoft**	219	260	1,254	57.7	64.2	1.0
96	205	185	75	**Middle South Utilities**	14,337	3,486	2,685	451.3	797.7	13.6
118	■	■	310	**Midlantic**	11,874	988	814	112.8	136.5	7.3
■	■	500	■	**Millipore**	398	443	888	39.1	57.8	4.7
200	66	19	30	**Minnesota Mining & Manufacturing**	7,348	8,602	13,326	779.0	1,286.0	83.7

■ Not on 500 list

Ranking The Forbes 500s

Where they rank: 1986				Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
Assets	Sales	Market value	Net profits							
■	■	■	384	Minnesota Power	1,376	395	812	82.6	120.3	1.9
23	5	11	9	Mobil	39,412	44,866	16,400	1,407.0	3,878.0	146.8
■	■	474	■	Molex	356	349	941	38.9	65.3	4.3
364	446	■	420	Monarch Capital	3,795	1,444	457	73.9	73.9	1.9
■	414	■	■	Monfort of Colorado	296	1,632	205	25.3	37.8	3.9
178	91	66	78	Monsanto	8,269	6,879	5,941	433.0	1,213.0	53.9
■	■	■	453	Montana Power	1,836	655	885	66.9	114.2	3.7
389	■	■	■	Moore Financial Group	3,412	355	156	–3.3	3.4	2.7
7	94	49	26	JP Morgan	76,039	6,672	7,341	872.5	961.5	14.0
36	289	304	194	Morgan Stanley Group	29,205	2,463	1,614	201.3	201.3	4.7
■	325	■	■	Morrison-Knudsen	969	2,083	450	39.4	68.6	19.5
■	357	283	278	Morton Thiokol	1,484	1,919	1,753	131.6	208.4	17.9
294	112	95	202	Motorola	4,682	5,888	4,567	194.0	653.0	92.3
■	487	■	■	Murphy Oil	1,980	1,313	840	–194.8	89.9	4.8
■	■	424	468	Nalco Chemical	586	736	1,075	63.7	106.1	5.0
■	426	■	■	Nash Finch	314	1,574	182	13.8	30.1	7.7
398	■	■	■	National Bancshares Corp of Texas	3,340	295	145	–32.1	–23.9	2.0
97	484	375	274	National City	14,107	1,326	1,251	135.0	159.6	9.0
463	■	■	■	National Community Bank	2,750	206	294	28.2	32.4	1.6
445	405	359	412	National Distillers & Chemical	2,904	1,685	1,306	75.6	181.2	12.2
■	218	■	■	National Intergroup	2,271	3,344	301	–47.5	–1.3	5.8
401	228	296	371	National Medical Enterprises	3,310	3,201	1,681	86.5	224.7	74.9
■	406	462	■	National Semiconductor	1,336	1,678	971	–57.0	95.9	34.0
■	493	416	430	National Service Industries	711	1,288	1,096	72.3	98.0	19.0
■	215	407	■	Navistar International	1,778	3,374	1,125	–8.4	32.7	15.9
59	420	401	263	NBD Bancorp	21,176	1,615	1,153	145.8	172.0	10.2
40	305	289	200	NCNB	27,472	2,295	1,714	198.8	269.7	11.0
342	140	109	109	NCR	4,015	4,882	4,147	336.5	613.8	62.0
361	453	314	229	New England Electric System	3,810	1,432	1,523	172.0	375.5	5.1
325	495	292	165	New York State Electric & Gas	4,225	1,277	1,696	228.5	329.3	4.4
■	428	161	276	New York Times	1,405	1,565	2,911	132.2	207.4	10.2
■	■	271	413	Newmont Mining	1,982	381	1,872	75.4	146.5	6.6
196	272	238	88	Niagara Mohawk Power	7,611	2,660	2,130	397.9	571.4	11.1
■	378	■	286	Nicor	2,025	1,807	812	125.0	224.4	4.6
■	415	295	426	Nordstrom	892	1,630	1,690	72.9	119.6	17.8
148	170	83	62	Norfolk Southern	9,752	4,076	5,333	518.7	799.6	38.3
128	■	478	322	Norstar Bancorp	11,132	983	931	104.8	134.5	7.6
449	152	390	449	North American Philips	2,886	4,532	1,203	68.5	178.9	51.1
456	■	■	■	Northeast Bancorp	2,824	267	384	34.8	42.3	1.6
242	■	■	■	Northeast Savings FA	5,846	527	85	24.9	37.5	1.6
216	333	192	122	Northeast Utilities	6,480	2,032	2,635	300.9	480.7	9.2
345	417	■	■	Northern Indiana Public Service	3,943	1,626	860	–14.1	119.3	5.7
323	386	235	184	Northern States Power	4,247	1,782	2,158	206.9	434.7	7.5
161	■	■	■	Northern Trust	9,090	758	585	52.3	67.1	4.6
470	116	275	■	Northrop	2,699	5,608	1,829	41.2	266.8	46.9
367	■	■	■	Northwestern National Life Insurance	3,765	1,095	347	48.5	48.5	2.8
58	293	411	297	Norwest	21,539	2,420	1,116	121.7	163.9	15.4
315	200	325	407	NWA	4,323	3,589	1,457	76.9	319.2	22.3
55	42	21	13	Nynex	21,805	11,342	12,998	1,215.3	2,870.7	89.9
83	27	96	228	Occidental Petroleum	17,467	15,344	4,530	172.1	1,078.0	46.9
■	■	■	300	Ogden	836	800	772	119.6	135.6	37.1

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Ranking The Forbes 500s

Where they rank: 1986				Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
Assets	Sales	Market value	Net profits							
■	455	■	329	**Ohio Casualty**	2,475	1,415	879	102.7	107.0	5.6
187	389	159	83	**Ohio Edison**	7,903	1,742	2,921	410.8	591.2	7.4
498	■	309	283	**Oklahoma Gas & Electric**	2,500	1,091	1,571	126.3	219.4	4.2
249	■	■	479	**Old Kent Financial**	5,582	517	451	60.6	70.1	3.3
482	■	■	405	**Old Republic International**	2,628	1,144	391	77.5	77.5	4.5
353	■	■	■	**Old Stone**	3,876	419	190	29.1	40.5	2.1
■	400	■	414	**Olin**	1,545	1,707	878	75.2	189.3	14.1
■	196	■	■	**Owens-Corning Fiberglas**	2,195	3,644	544	15.6	172.5	27.7
■	382	■	■	**Paccar**	1,079	1,796	838	54.3	77.0	8.4
335	■	■	■	**Pacific First Financial**	4,097	424	120	25.5	33.8	1.3
62	75	41	17	**Pacific Gas & Electric**	21,002	7,817	8,927	1,081.2	1,774.9	29.4
279	127	166	382	**Pacific Lighting**	5,020	5,324	2,889	83.6	288.7	26.6
65	60	29	18	**Pacific Telesis Group**	20,321	8,977	11,463	1,079.4	2,590.5	73.2
253	327	214	147	**PacifiCorp**	5,521	2,067	2,434	250.9	491.0	10.4
90	294	470	415	**PaineWebber Group**	15,700	2,412	954	75.0	94.3	11.7
■	■	464	■	**Pall**	474	356	969	43.1	58.7	5.0
■	247	■	■	**Pan Am**	2,193	3,038	580	−462.8	−289.8	23.1
434	310	327	■	**Panhandle Eastern**	3,024	2,250	1,454	−542.1	−423.9	5.0
■	374	397	365	**Parker-Hannifin**	1,312	1,830	1,164	90.3	155.7	25.1
■	435	■	■	**Payless Cashways**	709	1,526	663	42.4	71.8	13.4
440	299	245	248	**Penn Central**	2,933	2,358	2,061	154.2	279.4	27.7
413	■	■	■	**Pennbancorp**	3,230	313	328	29.9	37.4	2.2
126	29	81	59	**JC Penney**	11,188	14,740	5,406	530.0	759.0	176.5
206	317	180	124	**Pennsylvania Power & Light**	7,139	2,189	2,720	300.1	526.6	8.4
394	385	175	448	**Pennzoil**	3,369	1,782	2,775	68.5	348.1	7.3
■	452	■	411	**Peoples Energy**	1,408	1,432	674	75.6	120.1	3.5
181	55	55	74	**PepsiCo**	8,029	9,291	6,768	457.8	858.5	182.0
■	489	403	459	**Perkin-Elmer**	1,370	1,303	1,145	65.1	114.5	15.0
314	■	■	■	**Perpetual Savings Bank FSB**	4,333	450	188	22.2	35.1	1.3
■	■	377	424	**Petrie Stores**	1,076	1,198	1,239	73.7	118.9	16.0
267	156	39	44	**Pfizer**	5,164	4,476	10,065	660.0	807.1	39.6
486	■	■	■	**PHH Group**	2,589	940	528	35.6	47.5	3.3
132	242	104	52	**Philadelphia Electric**	10,748	3,091	4,278	566.3	917.1	10.9
82	15	5	8	**Philip Morris Cos**	17,642	20,681	17,096	1,478.0	2,133.0	112.5
112	50	186	167	**Phillips Petroleum**	12,399	9,786	2,683	228.0	1,325.0	23.6
■	366	■	429	**Piedmont Aviation**	1,718	1,865	856	72.4	189.6	18.4
344	113	160	183	**Pillsbury**	3,980	5,713	2,920	209.1	409.9	100.5
■	345	172	232	**Pitney Bowes**	2,028	1,987	2,821	167.9	290.6	29.1
52	348	244	157	**PNC Financial**	22,199	1,967	2,061	237.4	261.8	9.3
■	416	246	326	**Polaroid**	1,479	1,629	2,059	103.5	174.7	13.8
■	■	356	363	**Portland General**	2,470	760	1,325	90.8	207.7	3.1
■	■	■	440	**Potlatch**	1,220	976	768	69.9	134.3	7.9
420	474	223	186	**Potomac Electric Power**	3,167	1,371	2,296	206.1	317.2	5.5
296	146	101	114	**PPG Industries**	4,641	4,687	4,351	316.4	566.9	36.5
■	350	■	■	**Premark International**	1,407	1,959	676	−98.3	−29.1	21.9
■	259	306	470	**Price Co**	619	2,807	1,601	63.3	74.4	6.3
■	430	■	■	**Primark**	1,491	1,554	486	53.8	123.7	5.2
■	■	417	■	**Prime Motor Inns**	742	313	1,095	44.7	57.9	6.6
100	22	22	33	**Procter & Gamble**	13,650	16,580	12,866	757.0	1,325.0	68.4
■	■	■	463	**Progressive**	1,266	683	868	64.7	71.2	4.0
199	339	483	260	**Provident Life & Accident**	7,468	2,018	920	146.8	165.2	4.7

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Assets	Sales	Market value	Net profits							
443	408	458	291	**Public Service Co of Colorado**	2,918	1,658	982	123.8	244.5	6.8
■	■	■	302	**Public Service Co of Indiana**	2,311	1,049	794	118.8	205.2	4.0
467	■	■	■	**Public Service Co of New Hampshire**	2,708	505	312	–198.4	–168.6	2.5
461	■	345	254	**Public Service Co of New Mexico**	2,756	698	1,363	151.0	229.4	3.9
139	154	79	97	**Public Service Enterprises Group**	10,578	4,498	5,429	378.5	770.4	13.7
406	■	■	■	**Puget Sound Bancorp**	3,286	335	330	37.2	43.2	2.2
■	■	426	313	**Puget Sound Power & Light**	2,447	715	1,074	110.2	200.9	2.4
447	178	145	159	**Quaker Oats**	2,888	3,952	3,159	234.8	320.0	31.4
157	■	■	439	**Rainier Bancorporation**	9,216	827	688	70.0	89.3	5.6
341	114	86	58	**Ralston Purina**	4,030	5,696	5,236	533.8	706.3	54.9
■	■	440	■	**Raychem**	837	855	1,035	49.3	96.9	9.8
381	83	87	89	**Raytheon**	3,556	7,308	4,982	393.2	631.1	74.0
■	■	382	277	**Reebok International**	440	919	1,235	132.1	133.3	0.9
227	235	■	325	**Reliance Group Holdings**	6,079	3,145	591	103.9	126.4	9.8
84	461	305	255	**Republic New York**	17,465	1,407	1,606	148.5	163.7	2.8
63	362	■	■	**RepublicBank**	20,944	1,894	521	54.0	99.4	8.3
375	421	■	■	**Revlon Group**	3,620	1,611	476	7.4	7.4	28.5
368	197	■	330	**Reynolds Metals**	3,709	3,639	880	101.9	263.9	26.0
222	■	■	■	**Riggs National**	6,253	446	409	35.6	45.7	1.9
■	402	388	423	**Rite Aid**	839	1,702	1,218	73.7	110.9	16.9
86	25	25	19	**RJR Nabisco**	17,019	15,978	12,332	1,064.0	1,699.0	127.6
■	396	343	408	**Roadway Services**	1,071	1,717	1,386	76.5	177.1	22.6
■	■	■	387	**AH Robins**	839	790	190	81.8	101.9	6.3
423	■	■	■	**Rochester Community Savings Bank**	3,138	297	155	12.4	15.9	1.2
■	■	■	323	**Rochester Gas & Electric**	1,984	749	658	104.5	175.2	2.6
193	36	58	45	**Rockwell International**	7,629	12,397	6,399	634.8	1,209.1	122.2
■	326	216	271	**Rohm & Haas**	1,842	2,067	2,406	138.0	250.0	12.0
■	■	■	285	**Rorer Group**	1,110	845	815	125.6	167.1	7.5
■	■	460	■	**Rouse**	1,420	340	979	19.1	41.4	3.0
■	■	280	438	**Rubbermaid**	579	795	1,776	70.1	103.4	5.9
286	187	195	237	**Ryder System**	4,784	3,768	2,588	160.9	586.4	31.2
244	296	278	164	**Safeco**	5,782	2,399	1,805	228.7	228.7	10.0
195	229	273	238	**St Paul Cos**	7,627	3,182	1,861	159.6	183.1	10.0
6	93	71	64	**Salomon**	78,164	6,789	5,834	516.0	558.0	7.1
414	413	268	182	**San Diego Gas & Electric**	3,227	1,634	1,892	213.2	353.9	4.8
122	115	92	■	**Santa Fe Southern Pacific**	11,602	5,631	4,650	–137.9	529.3	56.4
351	69	133	155	**Sara Lee**	3,884	8,340	3,577	241.1	394.7	89.9
489	■	323	296	**Scana**	2,575	1,102	1,476	122.2	243.3	3.9
435	297	93	143	**Schering-Plough**	3,001	2,399	4,620	265.8	345.4	24.1
346	210	224	207	**Scott Paper**	3,939	3,437	2,285	186.5	399.8	23.6
■	■	489	364	**Seagate Technology**	457	709	908	90.4	115.3	6.3
12	6	14	11	**Sears, Roebuck**	65,995	44,282	14,970	1,351.3	1,885.8	475.7
13	111	187	93	**Security Pacific**	62,606	5,977	2,681	385.9	521.2	32.5
■	■	412	■	**Service Corp International**	834	331	1,110	48.9	63.5	6.9
■	285	■	■	**Service Merchandise**	1,466	2,527	258	–46.9	6.2	27.0
■	■	449	■	**Shared Medical Systems**	303	375	1,019	32.0	56.9	3.5
135	■	■	400	**Shawmut**	10,697	918	731	78.6	104.5	6.1
■	431	389	321	**Sherwin-Williams**	1,146	1,553	1,218	106.0	138.5	13.3
■	■	493	■	**Shoney's**	373	645	903	43.3	69.8	22.0
154	■	■	372	**Signet Banking**	9,471	908	798	86.3	104.0	5.6
■	393	■	226	**Singer**	1,288	1,725	784	173.0	241.9	27.0

■ Not on 500 list

Ranking The Forbes 500s

Where they rank: 1986				Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
Assets	Sales	Market value	Net profits							
326	189	62	61	**SmithKline Beckman**	4,222	3,745	6,049	521.1	679.0	33.3
■	■	432	455	**Snap-on Tools**	527	670	1,057	65.5	80.4	6.4
163	■	■	380	**Society**	9,061	892	633	84.1	105.6	6.4
438	■	■	■	**Society for Savings**	2,948	316	244	16.0	20.7	1.0
405	403	436	■	**Sonat**	3,288	1,692	1,052	-304.3	242.8	5.8
291	■	■	■	**South Carolina National**	4,740	465	476	43.8	57.3	4.1
110	■	■	370	**Southeast Banking**	12,469	1,066	686	86.5	121.3	7.1
103	128	48	32	**Southern California Edison**	13,245	5,312	7,348	768.6	1,273.3	17.4
66	92	51	25	**Southern Company**	20,307	6,847	7,230	882.9	1,539.9	31.7
493	451	301	270	**Southern New England Telecommunications**	2,525	1,433	1,649	139.2	335.8	13.7
388	72	226	197	**Southland**	3,421	8,187	2,273	200.4	388.4	63.5
419	■	■	441	**Southmark**	3,173	686	383	69.8	97.4	7.5
274	■	■	■	**SouthTrust**	5,101	456	577	53.7	59.5	3.4
67	73	32	22	**Southwestern Bell**	20,300	7,902	11,221	1,022.7	2,410.0	69.4
■	■	366	347	**Southwestern Public Service**	1,600	793	1,268	97.5	152.5	2.3
92	438	332	257	**Sovran Financial**	14,952	1,495	1,424	148.0	200.8	10.6
■	437	■	■	**Springs Industries**	1,010	1,505	442	32.6	88.2	23.5
■	465	350	341	**Square D**	1,132	1,403	1,343	98.9	154.5	21.1
■	384	67	73	**Squibb**	2,409	1,785	5,900	464.3	503.0	20.3
■	241	■	■	**Staley Continental**	1,745	3,097	743	30.4	127.9	9.1
89	57	28	■	**Standard Oil**	15,955	9,219	11,589	-311.0	1,405.0	40.9
■	473	421	398	**Stanley Works**	1,208	1,371	1,085	78.7	121.1	16.1
204	■	■	434	**State Street Boston**	7,190	640	820	71.4	85.7	5.1
■	343	181	231	**Sterling Drug**	1,724	1,990	2,718	171.5	215.5	21.7
■	409	■	■	**JP Stevens**	941	1,656	649	55.5	93.5	25.0
■	332	479	■	**Stone Container**	1,524	2,032	927	35.4	127.7	12.4
■	180	■	■	**Stop & Shop Cos**	1,282	3,872	709	38.4	110.6	47.0
78	472	201	267	**Student Loan Marketing Assn**	18,232	1,377	2,521	144.6	147.7	0.9
■	341	473	352	**Subaru of America**	555	2,017	943	94.8	100.0	0.9
409	■	■	■	**Sumitomo Bank of California**	3,271	300	160	14.8	20.3	1.7
121	53	70	94	**Sun Company**	11,684	9,376	5,849	385.0	1,154.0	30.7
■	450	452	■	**Sundstrand**	1,399	1,434	999	45.4	129.8	16.1
45	290	196	152	**SunTrust Banks**	26,165	2,463	2,583	245.1	327.9	19.6
488	■	■	■	**Sunwest Financial Services**	2,589	262	319	28.3	34.1	2.0
■	442	■	■	**Super Food Services**	226	1,462	151	10.9	15.7	1.9
■	63	277	392	**Super Valu Stores**	1,869	8,762	1,807	79.6	174.2	25.6
■	119	495	478	**Supermarkets General**	1,173	5,508	896	60.9	137.0	52.5
■	212	352	481	**Sysco**	832	3,415	1,335	60.3	95.4	9.9
■	■	435	■	**Taft Broadcasting**	1,298	511	1,054	-60.3	-23.7	2.8
245	■	■	■	**Talman Home Federal S&L of Illinois**	5,708	592	80	29.9	150.2	2.3
■	■	383	444	**Tambrands**	364	487	1,227	69.1	80.4	4.4
■	■	316	396	**Tandem Computers**	777	836	1,518	79.2	122.9	5.6
■	222	123	179	**Tandy**	2,255	3,323	3,824	216.4	275.8	35.5
215	■	■	■	**TCF Banking & Savings FA**	6,518	616	86	19.7	31.9	1.8
■	■	361	346	**TECO Energy**	2,113	902	1,301	97.6	190.7	4.3
■	480	358	■	**Tektronix**	1,219	1,352	1,313	55.1	138.3	19.9
343	■	232	351	**Tele-Communications**	4,008	646	2,236	94.8	220.0	9.8
317	149	134	173	**Teledyne***	4,305	4,553	3,530	221.8	329.5	46.0
■	■	363	■	**Telerate**	264	232	1,295	43.2	70.3	0.8
■	■	459	427	**Telex**	563	803	979	72.7	104.2	7.0
■	492	342	389	**Temple-Inland**	1,701	1,296	1,390	80.8	160.1	10.0

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Ranking The Forbes 500s

Where they rank: 1986				Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
Assets	Sales	Market value	Net profits							
80	30	76	■	**Tenneco**	18,021	14,529	5,619	-39.0	933.0	106.0
■	497	■	■	**Tesoro Petroleum**	588	1,270	148	-121.4	52.9	2.5
29	9	42	36	**Texaco**	34,940	31,613	8,692	725.0	3,457.0	53.2
183	158	367	■	**Texas Air**	8,000	4,407	1,267	42.2	84.5	65.0
231	■	■	■	**Texas American Bancshares**	5,986	608	156	-115.2	-82.8	3.3
71	424	■	■	**Texas Commerce Bancshares**	19,192	1,579	884	20.0	75.0	8.3
266	171	329	■	**Texas Eastern**	5,249	4,074	1,448	1.3	296.1	10.5
399	136	151	■	**Texas Instruments**	3,337	4,974	3,021	39.9	466.1	77.6
113	179	97	46	**Texas Utilities**	12,318	3,932	4,498	626.9	875.2	16.7
119	89	205	151	**Textron***	11,712	6,951	2,510	245.9	370.0	64.0
318	188	105	98	**Time Inc**	4,300	3,762	4,220	376.4	536.4	20.5
441	252	112	85	**Times Mirror**	2,929	2,920	4,093	408.1	560.4	29.3
334	429	294	187	**Torchmark**	4,123	1,555	1,694	205.7	219.8	6.6
■	291	132	251	**Toys "R" Us**	1,523	2,445	3,579	152.2	185.5	27.1
393	234	■	■	**Trans World Airlines**	3,370	3,145	708	-106.3	120.2	27.4
88	106	218	142	**Transamerica**	16,182	6,076	2,371	267.5	388.8	15.4
321	195	433	■	**Transco Energy**	4,257	3,691	1,056	-4.3	304.2	5.0
21	24	100	66	**Travelers**	46,300	16,047	4,452	504.6	587.3	32.3
432	270	■	■	**Triangle Industries**	3,028	2,668	585	46.9	104.0	18.5
487	335	229	127	**Tribune**	2,589	2,030	2,256	292.9	389.6	18.0
■	445	■	294	**Trinova**	1,167	1,447	712	122.6	164.8	19.0
324	■	■	■	**Trustcorp**	4,227	417	324	32.4	41.1	2.3
347	107	207	177	**TRW**	3,909	6,036	2,489	217.7	477.5	85.9
■	■	334	303	**Tucson Electric Power**	1,794	425	1,423	117.4	160.2	1.1
■	287	■	■	**Turner**	955	2,497	82	10.1	16.9	3.0
■	358	■	■	**TW Services**	1,060	1,918	698	15.7	92.0	59.0
■	411	285	■	**Tyson Foods**	727	1,637	1,743	55.0	100.8	20.8
169	58	193	■	**UAL**	8,717	9,196	2,621	11.6	793.5	87.0
462	328	206	280	**Union Camp**	2,751	2,045	2,503	129.9	296.3	17.4
197	103	168	38	**Union Carbide**	7,571	6,343	2,873	699.0	1,152.0	51.2
220	377	157	105	**Union Electric**	6,323	1,807	2,936	343.9	567.5	7.4
422	■	■	■	**Union National**	3,139	293	320	27.2	35.0	2.0
131	97	57	■	**Union Pacific**	10,863	6,574	6,535	-460.2	59.8	39.5
156	81	129	■	**Unisys**	9,409	7,432	3,692	-43.4	400.6	73.1
285	■	■	■	**United Banks of Colorado**	4,837	486	227	22.6	34.0	3.3
■	223	■	■	**United Brands**	959	3,307	511	53.8	85.0	39.0
217	■	■	■	**United Financial Group**	6,465	655	14	-39.7	-20.2	0.7
■	■	■	331	**United Illuminating**	1,730	471	406	101.6	136.0	1.5
182	■	■	433	**United Jersey Banks**	8,024	707	769	71.5	82.0	5.3
417	■	■	■	**United Missouri Bancshares**	3,203	272	314	31.1	40.4	2.3
153	■	■	406	**US Bancorp**	9,491	832	684	77.2	94.1	5.6
■	■	■	410	**US Healthcare**	280	502	577	75.8	80.5	0.9
■	342	482	■	**US Shoe**	923	2,003	921	25.5	69.2	30.4
■	■	379	324	**US Tobacco**	524	512	1,238	103.9	120.4	3.5
437	■	■	■	**US Trust**	2,959	308	321	29.9	36.5	2.0
129	26	63	428	**United Technologies**	11,092	15,669	6,001	72.7	535.0	189.2
219	246	202	217	**United Telecommunications**	6,379	3,059	2,513	180.6	741.3	25.3
155	■	■	386	**United Virginia Bankshares**	9,413	864	768	81.9	110.7	5.8
■	390	■	■	**Universal Leaf Tobacco**	1,086	1,740	462	49.9	66.1	14.0
141	80	147	222	**Unocal**	10,133	7,482	3,097	176.0	1,109.0	19.1
209	323	351	308	**UNUM Corp**	6,951	2,117	1,343	115.1	116.2	3.7

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Ranking The Forbes 500s

Where they rank: 1986				Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
Assets	Sales	Market value	Net profits							
476	307	73	146	**Upjohn**	2,665	2,291	5,822	252.6	334.5	20.7
74	70	38	24	**US West**	18,747	8,308	10,259	924.3	2,323.9	69.8
■	372	456	344	**USAir Group**	2,147	1,835	988	98.4	191.5	14.4
167	160	182	136	**USF&G**	8,936	4,337	2,709	275.0	289.8	9.4
■	266	256	171	**USG**	2,006	2,724	1,979	225.5	312.2	21.7
370	■	■	359	**USLife**	3,669	1,179	839	92.3	101.3	2.0
54	33	78	■	**USX**	21,823	14,000	5,574	−1,593.0	−34.0	63.9
424	■	307	262	**Utah Power & Light**	3,125	985	1,597	146.3	245.9	5.3
■	364	■	■	**Valero Energy**	1,697	1,880	174	−99.9	58.2	2.2
477	■	■	■	**Valley Federal Savings & Loan Assn**	2,662	314	68	17.0	22.0	1.2
134	■	■	457	**Valley National**	10,715	1,063	647	65.2	89.1	7.3
■	434	242	281	**VF**	1,834	1,545	2,086	129.4	184.3	41.0
■	■	338	■	**Viacom International**	2,041	919	1,403	−9.9	67.9	4.6
■	■	357	356	**Vulcan Materials**	835	958	1,317	93.2	170.3	6.3
338	38	20	76	**Wal-Mart Stores**	4,049	12,026	13,122	450.1	572.9	122.5
■	185	255	339	**Walgreen**	1,362	3,803	1,991	99.2	145.4	38.0
465	269	270	■	**Wang Laboratories**	2,716	2,669	1,876	−86.4	153.8	31.0
415	257	173	209	**Warner Communications**	3,223	2,848	2,807	185.8	304.0	11.2
495	239	106	116	**Warner-Lambert**	2,516	3,103	4,210	309.5	377.7	35.0
259	■	■	431	**Washington Mutual Savings Bank**	5,393	457	229	71.8	77.0	1.4
■	■	251	336	**Washington Post**	1,145	1,215	2,001	100.2	165.5	6.4
■	■	■	472	**Washington Water Power**	1,391	390	560	62.4	100.8	1.4
458	340	65	100	**Waste Management**	2,795	2,018	5,981	370.9	551.7	22.5
■	■	405	456	**Weis Markets**	474	1,101	1,131	65.3	81.9	12.7
22	177	179	138	**Wells Fargo**	44,577	3,965	2,723	273.5	358.4	18.4
■	■	461	■	**Wendy's International**	801	1,103	978	−4.9	53.6	49.0
■	346	■	■	**West Point-Pepperell**	1,352	1,981	763	32.4	96.6	28.5
380	■	■	■	**Western Capital Investment**	3,564	352	127	−7.2	−2.7	2.0
251	■	■	■	**Western Savings & Loan Assn**	5,547	549	221	30.2	38.5	1.8
174	44	44	41	**Westinghouse Electric**	8,482	10,731	7,942	670.8	1,041.8	117.3
■	371	281	317	**Westvaco**	2,062	1,836	1,766	107.3	228.5	15.1
■	181	■	■	**Wetterau**	681	3,847	467	34.6	64.2	11.3
127	86	88	133	**Weyerhaeuser***	11,171	7,234	4,929	276.7	624.2	40.3
■	173	204	199	**Whirlpool**	2,202	4,009	2,511	199.7	317.5	28.2
448	■	■	■	**Whitney Holding**	2,887	229	323	28.1	29.8	1.0
329	144	■	421	**Wickes Cos**	4,186	4,770	837	73.9	141.3	50.7
■	■	441	417	**Willamette Industries**	1,100	1,200	1,035	74.7	147.3	8.2
348	367	■	■	**Williams Cos**	3,908	1,859	799	−249.3	−134.5	5.7
459	■	■	■	**Wilmington Trust**	2,778	263	404	34.0	38.1	1.6
■	460	■	■	**Wilson Foods**	206	1,407	65	4.8	13.8	5.2
■	67	267	316	**Winn-Dixie Stores**	1,445	8,580	1,894	107.8	269.9	75.6
460	458	284	241	**Wisconsin Energy**	2,777	1,411	1,752	157.7	278.9	6.2
■	■	■	480	**Wisconsin Power & Light**	1,133	569	662	60.5	124.8	2.5
■	479	■	458	**Witco**	820	1,355	860	65.2	119.4	8.0
452	99	200	180	**FW Woolworth**	2,850	6,501	2,527	214.0	339.0	120.0
■	■	466	■	**Wm Wrigley Jr**	394	699	967	53.8	72.5	5.6
70	34	68	72	**Xerox***	19,299	12,919	5,859	464.5	1,270.0	111.5
■	398	434	452	**Yellow Freight System**	862	1,714	1,056	67.1	159.1	23.4
■	126	341	357	**Zayre**	1,876	5,351	1,399	92.4	158.2	60.0
■	363	■	■	**Zenith Electronics**	1,235	1,892	511	−10.0	30.0	35.0
404	■	■	■	**Zions Utah Bancorporation**	3,297	301	224	20.6	26.5	1.9

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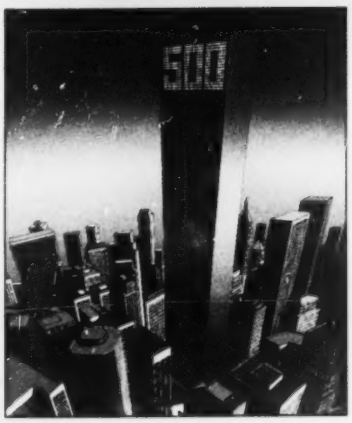
The Forbes 500s on Wall Street



These 790 firms qualified for one or more of the 500 lists. Here are 26 vital facts on each company's shares, including price performance and earnings predictions.

THANKS TO AN EARLY 1987 SURGE by midsize companies, the largest companies in America—The Forbes 500s—underperformed the overall market. The Forbes 500s gained 19.6% (excluding dividends) over the 52 weeks through Mar. 19, vs. 21.2% for the overall market.

We don't have any formulas for predicting the performance of the Dow or the overall market over the next year. But we do show, for almost all the 790 companies that appear on one or more of The Forbes 500s, analysts' forecasts for 1987 earnings per share.

Wall Street expects tangible results from years of corporate cost-cutting and restructuring. Eternal optimists, the analysts forecast a 19% average increase in earnings in 1987 for The Forbes 500s companies. Lower interest rates, higher productivity and, for the multinationals, a weaker dollar could deliver some impressive gains this year.

Here's how to use this reference table. Take Albertson's, a Boise, Idaho-based supermarket chain. Albertson's fiscal year ends in January. Results through January 1987 are reported as fiscal 1986. Our rule: Any fiscal year ending between June 1986 and May 1987 is treated as fiscal 1986, no matter how designated by the company. If fiscal earnings have not been reported we use an estimate (E).

Albertson's five-year price range through Mar. 19 is adjusted for stock splits and rounded to the nearest full point. The "recent price" is Albertson's close on Mar. 19.

			Stock price			Stock performance —latest 12 months—		Stock price ratios price/earnings			
Company/fiscal year-end	Ticker symbol	Exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1987 est	price/ sales
Abbott Laboratories/Dec	ABT	n	63– 14	63– 37	62⅞	57%	130	27– 11	27.1	23.2	3.78
Aetna Life & Cas/Dec	AET	n	68– 27	68– 53	67	3	85	37– 7	8.9	8.9	0.37
Affiliated Bshs Colo/Dec	AFBK	o	20– 9	18– 10	13½	–22	64	25– 5	20.8	11.0	0.51
Affiliated Pubs/Dec	AFP	n	51– 4	51– 22	48	99	164	34– 8	25.9	38.4	4.23
HF Ahmanson/Dec	AHM	n	29– 3	29– 19	26⅛	27	105	NM– 4	8.1	7.6	0.85
Air Prods & Chems/Sep	APD	n	49– 12	49– 29	46	13	93	NM– 4	NM	16.5	1.28
Albertson's/Jan	ABS	n	53– 13	53– 33	52¾	43	118	18– 8	17.6	16.0	0.33
Alco Health Services/Sep	AAHS	o	26– 13*	26– 16	20¼	–9	75	21– 12*	16.9	15.1	0.19
Alco Standard/Sep	ASN	n	52– 18	52– 37	51¾	15	95	21– 6	18.8	14.9	0.25
Alexander & Alexander/Dec	AAL	n	42– 17	42– 24	31¾	–17	68	NM– 9	30.0	12.3	1.22
Alexander & Baldwin/Dec	ALEX	o	52– 6	52– 33	48¾	45	120	15– 5	14.6	12.3	2.69
Alleghany/Dec	Y	n	NA–NA	117– 66*	91¼	NA	NA	NA–NA	7.4	15.2	0.93
Allegheny Intl/Dec	AG	n	36– 11	25– 11	24½	17	97	NM– 4	NM	NM	0.20
Allegheny Power/Dec	AYP	n	54– 18	54– 37	43¾	17	97	13– 5	10.7	10.6	1.29
Allied Bancshares/Dec	ALBN	o	28– 10	20– 10	10	–41	49	NM– 6	NM	29.4	0.44
Allied-Signal/Dec†	ALD	n	55– 17	55– 37	47⅛	42	117	NM– 3	14.5	13.2	0.70
Alcoa/Dec	AA	n	49– 22	46– 33	44⅜	5	87	NM– 7	14.5	13.6	0.83
Amax/Dec	AMX	n	33– 11	19– 11	19	16	96	NM– NM	NM	34.5	1.08
Amdahl/Dec	AMH	a	42– 9	42– 14	38	153	209	NM– 12	46.9	22.6	1.93
Amerada Hess/Dec	AHC	n	35– 16	33– 17	32¾	64	135	27– 8	NM	16.1	0.68
American Brands/Dec	AMB	n	53– 19	53– 36	49⅛	15	95	17– 6	15.4	10.7	0.87
American Can/Dec	AC	n	54– 13	53– 34	51¼	35	111	16– 9	14.1	7.5	0.95

*Range is for less than period indicated. †Prices are as originally reported; adjusted for splits; stock performance includes value of special distributions. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 19, 1987.

Albertson's gained 43% over the past 12 months, bringing it to a new five-year high. The three biggest stars below are computer firms: Seagate Technology, up 243%, Microsoft, up 223%, and Tandem Computers, up 197%. Losers off 65% or more include Bethlehem Steel, Manville and LTV.

Firms that have less than a 52-week price history have their 12-month high-low prices footnoted and are marked NA (not applicable) for five-year ranges. Stocks with histories longer than one year but less than five are footnoted.

During the past year Allied-Signal, Kraft, Panhandle Eastern and dozens of other Forbes 500s companies had substantial spinoffs or recapitalizations. We show the five-year and one-year price ranges, using the price originally reported but adjusted for splits. However, if a stock, debenture or unusual cash distribution was made in the latest 12 months, then the 12-month performance figures include the recent value of the distribution. The Allied-Signal performance, for example, reflects the value of Henley Group shares spun off to Allied's shareholders.

The relative performance measurement compares a stock with the overall market as measured by William O'Neil & Co.'s Investor's Daily Index. A measure of 100 means that the stock did just as well as the O'Neil average, up 21.2%. Stock market performance data come from O'Neil, earnings projections from the Institutional Brokers Estimate System.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1986 EPS	estimated 1987 EPS	% change '87 vs '86 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
14.2%	$2.32	$2.32	$2.71	17%	36	very high	$1.00	1.6%	43%	21%
4.2	7.53	6.18	7.55	22	29	high	2.76	4.1	37	1
2.7	0.65	0.65	1.23	89	7	low	none	NA	NA	NA
16.5	1.85	1.85	1.25	–32	8	high	0.32	0.7	6	16
10.0	3.22	3.22	3.43	7	21	high	0.88	3.4	27	23
0.3	0.12	0.08	2.79	NM	23	average	0.80	1.7	NM	21
1.9	3.00	3.00	3.29	10	16	high	0.96	1.8	32	14
1.1	1.20	1.26	1.34	12	9	very high	none	NA	NA	NA
1.4	2.72	1.20	3.44	187	8	very high	1.28	2.5	47	3
4.0	1.04	1.04	2.54	144	18	average	1.00	3.2	96	–10
18.3	3.30	3.30	3.91	18	7	average	1.36	2.8	41	22
12.8	12.36	12.36	6.00	–51	1	NM	none	NA	NA	NA
NM	–17.97	–17.97	–0.53	NM	3	very low	none	NA	NA	NA
12.0	4.03	4.03	4.09	1	26	very high	2.92	6.8	72	5
NM	–0.42	–0.42	0.34	NM	18	very low	0.40	4.0	NM	13
5.1	3.26	3.26	3.57	10	19	average	1.80	3.8	55	4
5.7	3.08	3.08	3.28	6	23	low	1.20	2.7	39	–4
NM	–1.04	–1.04	0.55	NM	16	very low	none	NA	NA	NA
4.1	0.81	0.81	1.68	107	23	low	0.20	0.5	25	11
NM	–2.60	–2.60	2.04	NM	27	very low	none	NA	NA	NA
5.9	3.18	3.18	4.59	44	20	high	2.08	4.2	65	4
7.6	3.64	3.64	6.83	88	9	high	1.60	3.1	44	2

Sources: William O'Neil & Co., The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan; and Micro Scan from Lotus Information Services, Forbes.

The Forbes 500s on Wall Street

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high-low	Stock price 12-month high-low	Stock price recent	Stock performance —latest 12 months— price change	Stock performance —latest 12 months— relative to market	Stock price ratios price/earnings 5-year high-low	Stock price ratios price/earnings latest 12 months	Stock price ratios price/earnings 1987 est	Stock price ratios price/sales
American Capital/Dec	ACC	a	10– 1	8– 4	4¾	–39%	50	NM– 4	8.2	NA	0.17
American Continental/Dec	AMCC	o	16– 5	16– 8	15⅝	30	107	13– 3	7.7	NA	0.22
American Cyanamid/Dec	ACY	n	98– 25	98– 63	96¾	40	116	26– 7	22.2	18.5	1.17
American Electric Power/Dec	AEP	n	32– 15	32– 24	28⅜	11	92	13– 5	10.9	10.6	1.14
American Express/Dec	AXP	n	81– 18	81– 54	78¾	15	95	19– 6	14.2	14.1	1.01
American Family/Dec	AFL	n	19– 1	19– 11	13½	–9	75	21– 6	10.7	11.5	0.77
American General/Dec	AGC	n	47– 11	47– 34	41⅞	1	83	13– 4	9.4	9.9	0.87
American Greetings/Feb	AGREA	o	42– 9	42– 24	30⅝	–14	71	19– 8	14.3	13.0	0.91
American Home Prod/Dec	AHP	n	95– 33	95– 72	90½	19	98	19– 10	17.5	15.8	2.72
American Intl Group/Dec	AIG	o	79– 22	79– 55	76⅛	10	91	26– 8	15.6	13.6	1.40
American Medical Intl/Aug	AMI	n	37– 13	23– 13	19⅛	–16	69	NM– 9	NM	13.9	0.67
American Motors/Dec	AMO	n	11– 2	5– 2	4⅜	3	85	NM–NM	NM	NM	0.15
American Natl Ins/Dec	ANAT	o	51– 13	51– 35	43¾	13	93	17– 5	5.0	12.4	1.51
American Petrofina/Dec	APIA	a	65– 38	53– 40	46⅞	5	87	19– 9	NM	NA	0.31
American President/Dec	APS	n	38– 14*	38– 19	35⅝	71	141	NM– 3*	50.2	15.1	0.52
American Savings/Dec	ABNY	o	25– 12*	25– 16	20	–9	75	10– 4*	8.0	4.1	0.33
American Standard/Dec	AST	n	50– 17	50– 36	48⅞	10	91	71– 7	9.2	13.5	0.54
American Stores/Jan	ASC	n	71– 11	71– 52	68⅞	13	93	18– 6	18.2	14.9	0.15
American Tel & Tel/Dec	T	n	28– 15*	28– 22	23⅛	2	84	NM– 3*	NM	14.7	0.73
AmeriFirst Federal/Sep	AMRI	o	NA–NA	13– 8*	12½	NA	NA	NA–NA	4.2	NA	0.29
Ameritech/Dec	AIT	n	102– 41*	102– 75	89¾	13	93	15– 7*	11.4	10.7	1.37
AmeriTrust/Dec	AMTR	o	53– 13	53– 38	53¼	19	98	12– 4	12.4	11.5	1.05
Ames Dept Stores/Jan	ADD	n	35– 3	35– 19	27¼	1	83	31– 7	24.2	16.9	0.56
Amfac/Dec	AMA	n	32– 17	32– 22	30	8	89	NM– 10	NM	20.3	0.24
Amoco/Dec	AN	n	81– 33	81– 55	79¾	33	110	27– 5	27.4	19.1	1.12
AMP/Dec	AMP	n	54– 15	54– 33	53⅛	29	106	42– 13	35.0	25.5	2.97
AMR/Dec	AMR	n	62– 13	62– 47	56	11	92	13– 4	12.1	10.7	0.55
AmSouth Bancorp/Dec	ASO	n	39– 8	39– 28	32⅞	–2	81	13– 4	10.5	9.7	1.23
Anadarko Petroleum/Dec	APC	n	NA–NA	28– 18*	27	NA	NA	NA–NA	NM	55.1	6.77
Anheuser-Busch Cos/Dec	BUD	n	37– 7	37– 22	35½	46	120	21– 8	21.0	18.3	1.24
Apple Bank/Dec	APPL	o	38– 11*	38– 22	34¾	31	108	13– 7*	11.5	5.8	0.88
Apple Computer/Sep	AAPL	o	71– 11	71– 24	68⅜	158	213	55– 10	28.6	24.3	2.11
Archer Daniels Midland/Jun	ADM	n	23– 6	23– 16	20	10	91	19– 6	13.7	12.5	0.59
Arkla/Dec	ALG	n	30– 13	24– 17	22¾	25	103	32– 7	19.0	16.6	1.31
Armco/Dec	AS	n	23– 4	12– 4	8⅛	–27	60	31– 6	NM	14.5	0.21
Armstrong World Inds/Dec	ACK	n	42– 7	42– 25	41	40	116	36– 7	16.1	14.5	1.01
Ashland Oil/Sep	ASH	n	67– 21	67– 44	63¾	39	115	17– 4	11.6	10.9	0.32
Atlantic City Elec/Dec	ATE	n	47– 17	47– 33	36½	4	86	13– 6	10.4	11.3	1.14
Atlantic Financial/Sep	ATLF	o	19– 8	19– 10	11	–37	52	18– 1	7.7	3.8	0.09
Atlantic Richfield/Dec	ARC	n	80– 32	80– 45	77	43	118	24– 5	22.8	19.2	0.94
Automatic Data Proc/Jun	AUD	n	48– 10	48– 29	47⅝	44	119	30– 12	30.1	27.9	2.71
Avaet/Jun	AVT	n	50– 17	40– 25	34⅞	–7	77	65– 9	64.6	39.6	0.84
Avon Products/Dec	AVP	n	37– 18	36– 26	30⅛	–5	78	16– 7	13.5	12.3	0.73
AZP Group/Dec	AZP	n	33– 15	33– 27	31⅞	11	92	11– 4	10.5	9.7	2.00
Baker International/Sep	BKO	n	34– 9	18– 9	18	41	116	28– 5	NM	NM	0.90
Ball Corp/Dec	BLL	n	46– 8	46– 32	39⅜	15	95	18– 5	15.5	14.3	0.85
Bally Manufacturing/Dec	BLY	n	32– 11	24– 15	19¼	3	85	NM– 7	24.4	14.8	0.38
Baltimore Gas & Elec/Dec	BGE	n	40– 12	40– 26	31½	18	97	13– 5	10.0	9.9	1.35

*Range is for less than period indicated. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 19, 1987.

net profit margin	latest 12 months EPS	Earnings 1986 EPS	Earnings estimated 1987 EPS	Earnings % change '87 vs '86 EPS	Earnings number of analysts	Earnings confidence factor on estimate	Dividends indicated rate	Dividends yield	Dividends payout ratio	Dividends 5-year growth rate
1.9%	$0.58	$0.58	NA	NA	NA	NA	none	NA	NA	NA
3.6	2.04	2.04	NA	NA	NA	NA	$0.10	0.6%	5%	NA
5.3	4.36	4.36	$5.22	20%	27	high	2.40	2.2	48	9%
10.5	2.62	2.62	2.71	3	27	very high	2.26	7.9	86	0
7.4	5.55	5.55	5.60	1	22	very high	1.44	1.8	26	7
7.2	1.26	1.26	1.17	–7	10	very high	0.32	1.6	17	16
10.9	4.47	4.47	4.21	–6	22	very high	1.25	3.0	28	11
6.4	2.12	2.03E	2.34	NM	15	high	0.66	2.2	31	23
15.8	5.18	5.18	5.71	10	34	very high	3.34	3.7	64	9
9.0	4.90	4.90	5.61	14	27	high	0.25	0.3	5	9
NM	–1.12	–1.12	1.38	NM	30	average	0.72	3.8	NM	21
NM	NM	NM	–0.41	NM	7	very low	none	NA	NA	NA
30.0	8.59	8.59	3.48	–59	4	average	1.32	3.1	15	18
NM	–2.03	–2.03.	NA	NA	NA	NA	none	NA	NA	NA
1.3	0.71	0.71	2.36	232	11	low	0.50	1.4	70	NA
5.2	2.50	2.50	4.82	93	5	low	0.60	3.0	24	NA
6.4	5.28	5.28	3.60	–32	13	average	1.60	3.3	30	–3
1.0	3.79	3.79	4.62	25	13	average	0.84	1.2	22	23
0.9	0.21	0.21	1.57	NM	36	low	1.20	5.2	571	39
2.9	2.99	2.99	NA	NA	NA	NA	none	NA	NA	NA
12.2	7.87	7.87	8.35	6	33	very high	5.00	5.6	64	47
8.3	4.28	4.28	4.63	8	10	very high	1.76	3.3	41	6
2.2	1.12	1.19E	1.61	35	11	average	0.10	0.4	9	13
NM	–4.27	–4.27	1.48	NM	10	very low	none	NA	NA	NA
4.1	2.91	2.91	4.17	43	36	low	3.30	4.1	113	5
8.5	1.52	1.52	2.08	37	27	average	0.80	1.5	53	13
4.6	4.63	4.63	5.22	13	24	average	none	NA	NA	NA
11.6	3.13	3.13	3.39	8	9	very high	1.16	3.5	37	10
4.9	0.21	0.21	0.49	133	14	very low	0.30	1.1	143	NM
6.7	1.69	1.69	1.94	15	22	high	0.48	1.4	28	17
7.6	3.01	3.01	5.99	99	5	low	none	NA	NA	NA
7.7	2.39	2.39	2.81	18	33	high	none	NA	NA	NA
4.2	1.46	1.49	1.60	7	13	high	0.10	0.5	7	6
6.4	1.20	1.20	1.37	14	18	average	1.08	4.7	90	5
NM	–7.16	–7.16	0.56	NM	13	very low	none	NA	NA	NA
6.4	2.54	2.54	2.82	11	15	high	0.84	2.0	33	6
2.8	5.50	6.15	5.83	–5	20	average	1.80	2.8	33	–8
11.9	3.50	3.50	3.24	–7	14	high	2.62	7.2	75	9
1.6	1.48	2.08	3.00	44	1	NM	0.28	2.5	19	NM
4.2	3.38	3.38	4.01	19	38	low	4.00	5.2	118	17
8.9	1.58	1.45	1.71	18	26	high	0.38	0.8	24	11
1.3	0.54	0.67	0.88	31	23	low	0.50	1.4	93	6
5.5	2.23	2.23	2.44	9	19	very high	2.00	6.6	90	–2
18.4	3.04	3.04	3.29	8	22	average	2.72	8.5	89	3
NM	–5.86	–5.15	–0.62	NM	30	very low	0.46	2.6	NM	–7
5.5	2.56	2.56	2.77	8	6	high	0.82	2.1	32	12
1.5	0.81	0.81	1.33	64	10	low	0.20	1.0	25	3
15.0	3.15	3.15	3.18	1	24	very high	1.80	3.1	57	12

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro Scan from Lotus Information Services; Forbes.

The Forbes 500s on Wall Street

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high-low	Stock price 12-month high-low	recent	Stock performance —latest 12 months— price change	relative to market	Stock price ratios price/earnings 5-year high-low	latest 12 months	1987 est	price/ sales
Banc One/Dec	ONE	n	33– 9	33– 23	26⅛	–12%	73	16– 7	11.5	10.2	1.30
Banco Popular PR/Dec	BPOP	o	40– 6	40– 29	35¼	1	83	10– 2	8.9	NA	0.88
BancOklahoma/Dec	BOKC	o	25– 2	12 – 2	3½	–67	27	NM– 5	NM	9.2	0.08
Bancorp Hawaii/Dec	BNHI	o	58– 16	58– 42	56¼	31	108	12– 4	11.1	9.8	1.13
Bank of Boston/Dec	BKB	n	35– 7	35– 22	34⅜	33	110	9– 4	9.3	9.0	0.62
Bank of New England/Dec	BKNE	o	40– 8	40– 27	36½	12	92	12– 4	10.4	9.4	0.97
Bank of New York/Dec	BK	n	47– 12	47– 37	42	2	84	10– 4	8.5	8.5	0.72
Bank South/Dec	BKSO	o	29– 4	29– 19	21¾	12	92	18– 4	12.8	11.9	1.16
BankAmerica/Dec	BAC	n	26– 10	19– 10	12½	–27	60	12– 5	NM	14.5	0.16
Bankers Trust NY/Dec	BT	n	53– 13	53– 41	46⅞	4	86	9– 3	7.8	7.1	0.67
Banks of Mid-America/Dec	BOMA	o	19– 3	9– 3	2⅞	–60	33	NM– 5	NM	NA	0.08
BanPonce/Dec	BDEP	o	40– 4	40– 27	39½	16	96	9– 3	9.3	NA	1.01
CR Bard/Dec	BCR	n	50– 10	50– 23	47¾	102	167	28– 8	27.8	23.5	2.54
Barnett Banks Fla/Dec	BBF	n	41– 8	41– 31	37½	13	93	14– 6	12.5	10.9	1.04
Bausch & Lomb/Dec	BOL	n	50– 17	50– 34	46¼	22	101	43– 10	18.9	16.5	2.01
Baxter Travenol Labs/Dec	BAX	n	31– 12	26– 15	25	28	106	NM– 8	13.0	21.7	0.98
BayBanks/Dec	BBNK	o	52– 10	52– 35	43½	10	91	13– 4	10.6	10.0	0.95
Bear Stearns Cos/Apr	BSC	n	27– 12*	27– 15	21¾	9	90	16– 8*	10.1	10.2	0.74
Becton Dickinson/Sep	BDX	n	67– 15	67– 37	66	75	144	32– 10	22.5	19.2	1.91
Bell Atlantic/Dec	BEL	n	77– 33*	77– 60	70	12	92	12– 8*	12.0	11.2	1.40
BellSouth/Dec	BLS	n	46– 18*	46– 34	40	15	95	12– 7*	11.8	10.9	1.67
Beneficial Corp/Dec	BNL	n	79– 15	79– 44	60¼	14	94	14– 6	NM	10.8	1.20
Benj Franklin S&L/Dec	BENJ	o	NA–NA	11– 7*	10⅛	NA	NA	NA–NA	4.8	NA	0.16
Bergen Brunswig/Aug	BBCA	a	38– 12	37– 16	24½	–28	59	27– 11	18.8	19.8	0.10
Berkshire Hathaway/Dec	BKHT	o	3630–465	3630–2310	3510	18	97	59– 13	NM	NA	1.85
Best Products/Jan	BES	n	26– 8	16– 8	9	–39	50	NM– 6	NM	12.0	0.11
Bethlehem Steel/Dec	BS	n	30– 5	22– 5	7⅛	– 65	29	NM–NM	NM	NM	0.09
Beverly Enterprises/Dec	BEV	n	22– 6	22– 14	17⅛	–9	75	32– 10	21.8	14.3	0.54
Black & Decker/Sep	BDK	n	29– 12	25– 15	20½	–10	74	45– 9	44.6	20.9	0.66
H&R Block/Apr	HRB	n	55– 13	55– 36	53	24	102	24– 8	23.5	16.1	2.15
Boatmen's Bancshares/Dec	BOAT	o	48– 12	48– 35	43½	3	85	15– 4	10.9	9.5	0.99
Boeing/Dec	BA	n	65– 10	65– 49	51½	–6	78	16– 5	12.0	11.5	0.49
Boise Cascade/Dec	BCC	n	82– 20	82– 52	82	43	118	NM– 9	24.7	14.9	0.64
Borden/Dec	BN	n	59– 10	59– 37	54¾	37	113	18– 6	18.3	15.3	0.81
Borg-Warner/Dec	BOR	n	45– 11	45– 26	41¼	33	110	19– 5	17.6	15.7	1.05
Boston Edison/Dec	BSE	n	28– 10	28– 23	25⅝	–10	74	11– 6	9.9	10.1	0.86
Bowater/Dec	BOW	n	43– 15*	43– 23	42⅝	40	116	28– 7*	28.2	18.8	1.37
Branch Corp/Dec	BNCH	o	44– 12	44– 36	38¼	4	86	13– 5	10.8	10.5	1.00
Bristol-Myers/Dec	BMY	n	112– 26	112– 67	109⅝	49	123	27– 11	26.5	22.7	3.24
Brown-Forman/Apr	BFDB	a	51– 16	51– 33	50½	46	120	19– 8	18.8	18.0	2.27
Brown Group/Jan	BG	n	43– 14	43– 31	38⅜	2	84	21– 5	17.9	14.0	0.49
Browning-Ferris Inds/Sep	BFI	n	63– 8	63– 35	59⅛	64	135	59– 8	59.1	26.0	6.23
Brunswick/Dec	BC	n	46– 4	46– 27	45⅜	40	116	NM– 1	17.3	14.6	1.18
Burlington Inds/Sep	BUR	n	50– 17	50– 33	48¼	31	108	NM– 6	23.2	18.0	0.47
Burlington Northern/Dec	BNI	n	82– 17	82– 47	69⅜	–12	73	10– 4	NM	14.6	0.74
Cabot/Sep	CBT	n	36– 16	36– 24	34¼	41	116	15– 6	14.9	14.3	0.77
CalFed/Dec	CAL	n	42– 11*	42– 27	38½	21	100	9– 3*	5.5	5.9	0.40
California First Bk/Dec	CFBK	o	40– 12	40– 29	34¼	13	93	16– 6	13.1	0.0	0.73

*Range is for less than period indicated. NA not available or not applicable. NM not meaningful. E estimate. Stock prices as of Mar. 19, 1987.

net profit margin	Earnings: latest 12 months EPS	1986 EPS	estimated 1987 EPS	% change '87 vs '86 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout ratio	5-year growth rate
10.8%	$2.29	$2.29	$2.58	13%	20	high	$0.84	3.2%	37%	19%
9.2	4.03	4.03	NA	NA	NA	NA	1.32	3.7	33	15
NM	–20.37	–20.37	0.38	NM	2	NM	none	NA	NA	NA
10.0	5.07	5.07	5.75	13	5	very high	1.60	2.8	32	6
6.6	3.70	3.70	3.82	3	21	high	1.00	2.9	27	10
9.4	3.52	3.52	3.87	10	19	average	1.12	3.1	32	14
8.9	4.97	4.97	4.94	–1	12	high	1.68	4.0	34	8
9.3	1.70	1.70	1.83	8	3	high	0.48	2.2	28	26
NM	–3.74	–3.74	0.86	NM	32	very low	none	NA	NA	NA
8.7	6.01	6.01	6.64	10	28	very high	1.66	3.5	28	12
NM	–6.29	–6.29	NA	NA	NA	NA	none	NA	NA	NA
10.8	4.23	4.23	NA	NA	NA	NA	1.20	3.0	28	26
9.3	1.72	1.72	2.03	18	24	very high	0.40	0.8	23	7
8.5	2.99	2.99	3.45	15	28	very high	0.80	2.1	27	14
10.7	2.47	2.47	2.83	15	19	very high	0.86	1.8	35	10
9.1	1.93	1.93	1.15	–40	31	average	0.44	1.8	23	14
8.7	4.10	4.10	4.33	6	6	high	1.32	3.0	32	15
7.4	2.04	1.89E	2.13	13	4	average	0.48	2.2	22	NA
9.0	2.93	2.62	3.43	31	24	average	0.74	1.1	25	5
11.8	5.85	5.85	6.26	7	36	very high	3.60	5.1	62	46
13.9	3.38	3.38	3.66	8	34	high	2.20	5.5	65	32
NM	–9.16	–9.16	5.60	NM	7	average	2.00	3.3	NM	NA
2.9	2.13	2.13	NA	NA	NA	NA	none	NA	NA	NA
0.6	1.30	1.54	1.24	–19	10	average	0.32	1.3	25	6
13.0	46.19	46.19	NA	NA	NA	NA	none	NA	NA	NA
NM	–0.85	0.30E	0.75	150	12	very low	none	NA	NA	NA
NM	–3.37	–3.37	–0.79	NM	14	very low	none	NA	NA	NA
2.6	0.81	0.81	1.23	52	28	average	0.20	1.1	25	12
1.6	0.46	0.49	0.98	100	15	low	0.40	2.0	87	–1
8.9	2.26	2.81E	3.30	17	10	high	1.48	2.8	65	10
9.4	4.00	4.00	4.57	14	10	very high	1.84	4.2	46	11
4.1	4.28	4.28	4.49	5	37	average	1.40	2.7	33	6
2.7	3.32	3.32	5.51	66	22	low	1.90	2.3	57	0
4.5	3.00	3.00	3.59	20	16	very high	1.12	2.0	37	11
6.1	2.35	2.35	2.63	12	10	average	1.00	2.4	43	4
9.6	2.58	2.58	2.53	–2	18	high	1.78	6.9	69	3
5.4	1.51	1.51	2.27	50	15	average	0.80	1.9	53	NA
9.2	3.60	3.60	3.68	2	6	very high	1.28	3.3	36	3
12.2	4.13	4.13	4.83	17	37	very high	2.80	2.6	68	24
8.1	2.68	2.15E	2.80	NM	6	high	0.75	1.5	28	8
2.8	2.16	2.16	2.75	27	12	average	1.50	3.9	69	14
10.5	1.00	0.95	2.27	139	18	very high	0.80	1.4	80	17
6.4	2.63	2.63	3.12	19	13	average	0.60	1.3	23	23
2.1	2.08	2.01	2.68	33	11	average	1.64	3.4	79	2
NM	–7.53	–7.53	4.76	NM	24	average	2.00	2.9	NM	25
5.2	2.33	2.56	2.43	–5	6	average	0.92	2.6	39	0
7.0	7.03	7.03	6.54	–7	16	average	1.20	3.1	17	81
5.5	2.61	2.61	NA	NA	NA	NA	1.08	3.2	41	1

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan from Lotus Information Services; Forbes.

The Forbes 500s on Wall Street

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high-low	Stock price 12-month high-low	Stock price recent	Stock performance latest 12 months price change	Stock performance latest 12 months relative to market	Stock price ratios price/earnings 5-year high-low	Stock price ratios price/earnings latest 12 months	Stock price ratios price/earnings 1987 est	Stock price ratios price/sales
Campbell Soup/Jul	CPB	n	69– 16	69– 51	66½	27%	105	20– 7	18.9	17.6	0.96
Capital Cities/ABC/Dec	CCB	n	344– 65	344–215	344	44	119	31– 10	30.7	24.4	1.35
Capital Holding/Dec	CPH	n	39– 11	39– 29	35⅜	2	84	14– 6	6.8	11.1	0.79
Carolina Pwr & Lt/Dec	CPL	n	43– 19	43– 30	39⅛	12	92	11– 5	9.9	10.1	1.54
Carson Pirie Scott/Jan	CRN	n	40– 7	40– 28	38	28	106	29– 7	20.8	15.7	0.28
Carter Hawley Hale/Jan	CHH	n	58– 11	58– 29	56¼	79	148	65– 6	65.2	17.8	0.28
Carteret Savings/Sep	CBC	n	21– 5*	21– 13	16⅞	–13	72	9– 2*	7.5	6.3	0.34
Castle & Cook/Dec	CKE	n	23– 7	23– 14	22	50	124	53– 13	39.3	14.0	0.60
Caterpillar/Dec	CAT	n	55– 28	55– 37	46⅛	–9	75	61– 9	60.6	15.6	0.63
CBS/Dec	CBS	n	164– 33	164–122	160⅛	16	96	NM– 6	10.0	21.8	0.81
Centel/Dec	CNT	n	68– 27	68– 50	64¼	25	103	17– 7	16.6	12.3	1.35
Centerior Energy/Dec	CX	n	NA–NA	28– 22*	22⅛	NA	NA	NA– NA	7.3	7.3	1.56
Centerre Bancorp/Dec	CTB	o	52– 16	52– 36	43	6	87	13– 4	11.0	9.9	0.67
Centex/Mar	CTX	n	41– 12	41– 29	34½	4	86	17– 7	12.8	11.4	0.45
Central & South West/Dec	CSR	n	41– 12	41– 29	[illegible]	15	95	10– 5	9.2	9.0	1.29
Central Bancorp/Dec	CBAN	o	42– 6	42– 30	39¼	29	106	13– 4	10.5	10.5	1.29
Central Bancshares/Dec	CBSS	o	23– 3	23– 16	21	28	106	13– 4	12.1	11.1	1.23
Central Fidelity Bks/Dec	CFBS	o	37– 7	37– 28	33½	17	97	13– 5	12.1	11.2	1.38
Central Hudson G&E/Dec	CNH	n	40– 16	40– 25	27¼	–15	70	8– 4	6.2	7.1	0.89
Central Ill Pub Svc/Dec	CIP	n	31– 12	31– 22	24⅛	9	90	16– 5	12.6	11.6	1.34
CenTrust Savings/Sep	DLP	a	14– 4*	14– 8	11⅜	41	116	19– 1*	19.1	NA	0.22
CertainTeed/Dec	CRT	n	39– 11	39– 25	36¼	11	92	15– 7	12.0	11.0	0.62
Champion Intl/Dec	CHA	n	40– 12	40– 23	38½	38	114	55– 10	18.5	14.5	0.83
Charming Shoppes/Jan	CHRS	o	30– 2	30– 15	29	62	134	38– 9	35.8	26.9	2.79
Chase Manhattan/Dec	CMB	n	50– 16	50– 34	38¼	–13	72	8– 3	5.8	5.5	0.33
Chemical New York/Dec	CHL	n	56– 18	56– 42	44½	–14	71	8– 3	5.9	6.1	0.41
Chevron/Dec	CHV	n	58– 24	58– 34	56¼	51	125	27– 5	27.2	18.5	0.80
Chrysler/Dec	C	n	56– 3	56– 34	53½	23	101	15– 2	8.5	6.7	0.51
Chubb/Dec	CB	n	78– 13	78– 56	67⅜	–10	74	32– 5	9.6	8.5	0.82
Cigna/Dec	CI	n	77– 27*	77– 51	64	–16	69	NM– 4*	7.7	7.9	0.29
Cincinnati Bell/Dec	CSN	n	50– 14	50– 31	48¼	43	118	14– 6	13.6	12.6	1.61
Cincinnati Financial/Dec	CINF	o	80– 14	80– 61	69¼	0	83	18– 6	11.5	10.0	1.34
Cincinnati G&E/Dec	CIN	n	31– 9	31– 22	27⅛	17	97	9– 3	8.0	8.0	0.87
Circle K/Apr	CKP	n	19– 3	19– 12	15¼	26	104	17– 11	17.1	13.5	0.34
Citadel Holding/Dec	CDL	a	61– 10	61– 46	54⅞	9	90	9– 3	6.5	6.2	0.52
Citicorp/Dec	CCI	n	64– 22	64– 47	51	–15	70	9– 4	7.1	6.5	0.30
Citizens & Southern/Dec	CSOU	o	31– 7	31– 22	28½	10	91	12– 5	10.7	9.7	1.01
City National/Dec	CTYN	o	28– 7	28– 18	26½	44	119	18– 7	16.4	13.9	1.76
CityFed Financial/Dec	CTYF	o	18– 2	18– 11	12⅜	–7	77	10– 2	8.0	5.6	0.19
Clorox/Jun	CLX	n	62– 12	62– 45	61½	11	92	17– 6	16.3	15.9	1.51
Coast S&L Assoc/Dec	CSA	n	20– 11*	19– 11	18⅞	18	97	28– 3*	4.9	5.1	0.28
Coastal Corp/Dec	CGP	n	49– 9	49– 24	47⅜	23	101	NM– 5	56.4	20.8	0.32
Coca-Cola/Dec	KO	n	49– 10	49– 33	47⅜	32	109	21– 8	19.6	20.3	2.10
Coca-Cola Enterprises/Dec	CCE	n	NA–NA	18– 14*	17⅛	NA	NA	NA– NA	47.6	NA	1.23
Colgate-Palmolive/Dec	CL	n	48– 16	48– 36	46⅜	24	102	39– 6	18.4	15.9	0.65
Colorado Natl Bkshs/Dec	COLC	o	22– 10	19– 13	15⅜	–17	68	NM– 5	NM	18.8	0.51
Colt Industries/Dec	COT	n	15– 3	15– 8	13⅞	63	134	21– 7	21.0	12.5	0.25
Columbia Gas System/Dec	CG	n	53– 27	53– 36	52⅛	35	111	41– 5	24.6	16.4	0.66

*Range is for less than period indicated. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 19, 1987.

net profit margin	Earnings: latest 12 months EPS	1986 EPS	estimated 1987 EPS	% change '87 vs '86 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout ratio	5-year growth rate
5.1%	$3.52	$3.45	$3.78	10%	24	very high	$1.44	2.2%	41%	4%
4.4	11.20	11.20	14.12	26	23	average	0.20	0.1	2	–2
11.9	5.25	5.25	3.22	–39	25	very high	0.88	2.5	17	5
17.5	3.96	3.96	3.86	–3	19	high	2.76	7.1	70	5
1.3	1.83	1.83	2.42	33	5	very high	0.70	1.8	38	–1
1.2	0.87	2.35E	3.18	35	14	average	1.22	2.1	140	NA
4.8	2.25	2.26	2.67	18	5	average	0.30	1.8	13	NA
2.5	0.56	0.56	1.57	180	3	high	none	NA	NA	NA
1.0	0.77	0.77	2.99	288	22	low	0.50	1.1	65	–23
8.4	16.02	16.02	7.37	–54	28	low	3.00	1.9	19	2
8.0	3.88	3.88	5.23	35	24	high	2.50	3.9	64	5
20.4	3.04	3.04	3.03	0	20	average	2.56	11.6	84	–1
6.0	3.90	3.90	4.35	12	11	very high	1.80	4.2	46	NA
3.5	2.69	2.68E	3.02	13	9	low	0.25	0.7	9	9
13.9	3.75	3.75	3.85	3	23	very high	2.28	6.6	61	6
12.2	3.77	3.77	3.80	1	2	NM	1.10	2.8	29	5
10.3	1.73	1.73	1.90	10	4	very high	0.66	3.1	38	17
11.0	2.76	2.76	2.99	8	5	very high	0.96	2.9	35	15
14.8	4.49	4.49	3.89	–13	8	low	2.96	10.7	66	1
11.8	1.96	1.96	2.13	9	16	high	1.68	6.8	86	2
2.0	0.61	1.78	NA	NA	NA	NA	1.10	9.5	180	NA
5.1	3.02	3.02	3.31	10	8	average	0.90	2.5	30	65
4.6	2.08	2.08	2.66	28	20	average	0.64	1.7	31	9
7.8	0.81	0.81	1.08	35	17	high	0.10	0.3	12	10
6.2	6.63	6.63	6.93	5	27	average	2.16	5.5	33	5
7.3	7.57	7.57	7.31	–3	22	average	2.72	6.1	36	7
2.9	2.09	2.09	3.07	47	38	low	2.40	4.2	115	0
6.2	6.31	6.31	8.04	27	26	low	1.00	1.9	16	86
8.3	7.05	7.05	7.89	12	30	high	1.68	2.5	24	5
4.1	8.32	8.32	8.11	–3	30	average	2.80	4.4	34	3
11.8	3.55	3.55	3.83	8	15	high	1.92	4.0	54	5
12.0	6.08	6.08	6.95	14	7	average	1.52	2.2	25	13
12.3	3.38	3.38	3.40	1	20	average	2.16	8.0	64	–3
2.1	0.89	0.96E	1.13	18	6	average	0.28	1.8	31	2
8.1	8.43	8.43	8.88	5	2	NM	none	NA	NA	NA
4.5	7.14	7.14	7.86	10	32	high	2.46	4.8	34	2
9.4	2.63	2.63	2.92	11	23	very high	1.00	3.5	38	16
10.8	1.62	1.62	1.90	17	4	average	0.64	2.4	40	9
3.1	1.57	1.57	2.27	45	5	low	0.40	3.2	25	80
9.3	3.78	3.60	3.88	8	18	very high	1.52	2.5	40	16
5.7	3.84	3.84	3.68	–4	6	average	none	NA	NA	NA
1.1	0.84	0.84	2.27	171	22	low	0.40	0.8	48	15
10.8	2.42	2.42	2.33	–4	24	very high	1.12	2.4	46	6
1.4	0.36	0.36	NA	NA	NA	NA	0.05	0.3	14	NA
3.6	2.52	2.52	2.91	15	19	very high	1.36	2.9	54	3
0.7	0.20	0.20	0.82	310	7	very low	none	NA	NA	NA
5.5	0.66	0.66	1.11	68	6	low	none	NA	NA	NA
2.9	2.12	2.12	3.17	50	19	low	3.18	6.1	150	9

Sources: William O'Neil & Co., The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro Scan from Lotus Information Services, Forbes.

The Forbes 500s on Wall Street

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high-low	Stock price 12-month high-low	Stock price recent	Stock performance —latest 12 months— price change	Stock performance —latest 12 months— relative to market	Stock price ratios price/earnings 5-year high-low	Stock price ratios price/earnings latest 12 months	Stock price ratios price/earnings 1987 est	Stock price ratios price/sales
Columbia S&L/Dec	CSV	n	18– 3	18 –10	13⅞	2%	84	4– 1	2.6	2.9	0.18
Combined Intl/Dec	PMA	n	66– 18	66– 51	56⅜	–12	73	13– 5	7.7	9.3	1.03
Combustion Eng/Dec	CSP	n	40– 21	40– 27	39	11	92	26– 4	25.5	17.3	0.51
Comdisco/Sep	CDO	n	29– 5	29– 15	26¼	28	106	24– 4	17.4	12.7	1.19
Comerica/Dec	CMCA	o	61– 18	61– 43	57⅜	30	107	14– 4	10.6	8.9	0.65
Commerce Bcshs/Dec	CBSH	o	42– 13	42– 35	38	2	84	12– 4	10.1	9.6	0.83
Commerce Clearing/Dec	CCLR	o	69– 23	69– 52	63	12	92	25– 12	23.9	19.7	2.25
Commerce Union/Dec	COMU	o	33– 4	33– 25	30½	18	97	14– 4	12.6	12.0	1.38
Commercial Credit/Dec	CCC	n	NA–NA	28– 20*	26	NA	NA	NA–NA	22.2	16.0	1.21
Commercial Federal/Jun	CFCN	o	19– 5*	19– 14	18⅜	5	87	6– 2*	5.7	5.6	0.32
Commonwealth Ed/Dec	CWE	n	38– 20	38– 29	37⅛	10	91	8– 5	7.9	8.2	1.37
Communications Satellite/Dec	CQ	n	46– 21	38– 28	33¼	–8	76	17– 8	10.5	11.3	1.19
Community Psych Ctrs/Nov	CMY	n	40– 8	40– 26	36¼	32	109	36– 14	21.2	17.5	4.75
ConAgra/May	CAG	n	34– 6	34– 24	32½	31	108	19– 7	19.0	14.8	0.34
Conifer Group/Dec	CNFG	o	64– 12	64– 37	61¼	63	134	17– 4	17.0	14.0	1.55
Consolidated Edison/Dec	ED	n	53– 16	53– 40	44⅜	9	90	12– 5	10.5	10.6	1.02
Consol Freightways/Dec	CNF	n	37– 11	37– 27	33¼	7	88	16– 7	14.6	14.0	0.61
Consol Natural Gas/Dec	CNG	n	39– 10	39– 23	38¼	53	126	18– 5	18.4	16.0	1.22
Consolidated Papers/Dec	CPER	o	63– 12	63– 49	58½	18	97	15– 5	14.5	14.7	1.94
Consumers Power/Dec	CMS	n	22– 4	20– 10	19	46	120	32– 2	25.7	11.8	0.54
Contel/Dec	CTC	n	35– 15	35– 28	33½	15	95	12– 7	11.0	10.4	0.84
Continental Corp/Dec	CIC	n	55– 21	55– 42	52½	–3	80	NM– 7	7.1	9.9	0.54
Continental Illinois/Dec	CIL	n	30– 3*	9– 5	5½	–40	50	34– 5*	18.3	8.3	0.23
Control Data/Dec	CDA	n	63– 15	31– 20	29¼	16	96	NM– 5	NM	19.8	0.37
Cooper Industries/Dec	CBE	n	57– 19	57– 36	55⅜	12	92	29– 4	18.3	16.4	0.78
Adolph Coors/Dec	ACCOB	o	32– 10	32– 22	25½	2	84	18– 6	15.5	12.5	0.70
CoreStates Financial/Dec	CSFN	o	44– 7	44– 31	39¼	–3	80	13– 3	11.0	9.5	1.11
Corning Glass Works/Dec	GLW	n	82– 20	82– 47	63¼	–11	73	33– 10	17.2	15.8	1.53
CPC International/Dec	CPC	n	51– 15	51– 28	49¼	55	128	23– 6	21.4	17.9	0.89
Cray Research/Dec	CYR	n	133– 10	133– 65	125¼	78	147	41– 11	31.5	24.8	6.38
CrossLand Savings/Dec	CRLD	o	25– 9*	25– 12	18⅞	–14	71	9– 1*	7.8	3.7	0.31
Crown Cork & Seal/Dec	CCK	n	130– 23	130– 81	122⅞	44	119	17– 6	16.5	13.9	0.76
CSX/Dec	CSX	n	38– 12	38– 26	34	–6	78	13– 4	12.5	11.2	0.83
Cullen/Frost Bankers/Dec	CFBI	o	34– 11	21– 11	13⅜	–25	62	23– 5	NM	NM	0.34
Cummins Engine/Dec	CUM	n	89– 26	86– 51	79¼	6	87	NM– 3	NM	18.9	0.37
Cyclops/Dec	CYL	n	93– 14	93– 57	89	50	124	60– 7	16.9	10.2	0.25
Dana/Dec	DCN	n	42– 15	42– 26	40⅛	21	100	30– 6	24.0	13.0	0.49
Data General/Sep	DGN	n	76– 10	45– 25	35	–12	73	NM– 8	NM	48.6	0.72
Dauphin Deposit/Dec	DAPN	o	39– 11	39– 29	33½	–2	81	14– 6	11.6	10.3	1.35
Dayton-Hudson/Jan	DH	n	59– 16	59– 39	46¼	–3	80	20– 9	13.3	13.9	0.49
DCNY/Dec	DCY	n	60– 12	60– 43	50⅜	–1	82	23– 1	8.2	8.4	0.74
Dean Foods/May	DF	n	34– 5	34– 25	32¾	4	86	22– 7	22.1	15.4	0.64
Deere/Oct	DE	n	42– 22	35– 22	29⅛	–14	71	NM– 10	NM	NM	0.60
Delmarva Power & Light/Dec	DEW	n	38– 13	38– 29	31¾	5	87	13– 6	10.9	11.5	1.35
Delta Air Lines/Jun	DAL	n	67– 25	67– 38	59¼	45	120	69– 5	12.3	10.5	0.64
Deluxe Check/Dec	DLX	n	42– 5	42– 26	37⅛	40	116	27– 8	26.3	21.7	3.68
Deposit Guaranty/Dec	DEPS	o	42– 10	42– 34	39½	4	86	11– 4	9.4	9.1	0.94
Detroit Edison/Dec	DTE	n	19– 11	19– 16	17⅜	–6	78	8– 5	6.8	8.3	0.90

*Range is for less than period indicated. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 19, 1987.

net profit margin	Earnings: latest 12 months EPS	1986 EPS	estimated 1987 EPS	% change '87 vs '86 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout ratio	5-year growth rate
17.0%	$5.40	$5.40	$4.85	–10%	1	NM	$0.24	1.7%	4%	NA
13.7	7.40	7.40	6.06	–18	19	very high	2.24	4.0	30	7%
2.0	1.53	1.53	2.25	47	17	low	1.00	2.6	65	–11
7.2	1.54	1.91	2.10	10	6	high	0.20	0.7	13	20
6.6	5.45	5.45	6.48	19	8	high	2.20	3.8	40	5
8.3	3.75	3.75	3.96	6	5	average	1.08	2.8	29	4
9.4	2.64	2.64	3.19	21	4	very high	1.20	1.9	45	14
10.9	2.42	2.42	2.55	5	9	average	0.60	2.0	25	11
4.2	1.17	1.17	1.63	39	3	low	0.24	0.9	21	NA
5.6	3.23	3.16	3.29	4	7	high	none	NA	NA	NA
19.2	4.69	4.69	4.51	–4	27	average	3.00	8.1	64	3
12.6	3.22	3.22	2.99	–7	10	low	1.20	3.6	37	1
22.2	1.71	1.71	2.07	21	28	very high	0.48	1.3	28	20
1.8	1.71	1.87E	2.20	18	13	average	0.58	1.8	34	12
9.2	3.61	3.61	4.38	21	2	NM	1.20	2.0	33	7
10.5	4.26	4.26	4.21	–1	22	high	2.96	6.6	69	13
4.2	2.31	2.31	2.41	4	19	average	0.82	2.4	35	11
6.7	2.11	2.11	2.42	15	22	average	1.50	3.9	71	11
13.4	4.02	4.02	3.95	–2	12	average	1.60	2.7	40	16
5.7	0.74	0.74	1.61	118	20	low	none	NA	NA	NA
7.6	3.04	3.04	3.21	6	23	very high	1.88	5.6	62	5
7.5	7.42	7.42	5.29	–29	25	average	2.60	5.0	35	0
3.8	0.30	0.30	0.66	120	10	low	0.08	1.5	27	NA
NM	–6.58	–6.58	1.50	NM	16	very low	none	NA	NA	NA
4.3	3.04	3.04	3.40	12	23	high	1.68	3.0	55	1
4.5	1.65	1.65	2.04	24	13	average	0.50	2.00	30	3
10.6	3.57	3.57	4.11	15	20	high	1.36	3.5	38	12
8.7	3.70	3.70	4.04	9	15	average	1.40	2.2	38	6
4.8	2.30	2.30	2.75	20	19	high	1.24	2.5	54	2
20.9	3.99	3.99	5.07	27	28	high	none	NA	NA	NA
4.9	2.42	2.42	5.15	113	5	average	0.40	2.1	17	NA
4.9	7.46	7.46	8.86	19	8	average	none	NA	NA	NA
6.6	2.73	2.73	3.04	11	25	average	1.16	3.4	42	6
NM	–0.91	–0.91	–0.12	NM	3	very low	0.20	1.5	NM	–6
NM	–10.45	–10.45	4.21	NM	12	very low	2.20	2.8	NM	3
1.5	5.26	5.26	8.75	66	1	NM	1.10	1.2	21	NA
2.3	1.68	1.68	3.11	85	13	high	1.36	3.4	81	6
0.6	0.29	0.21	0.72	243	34	very low	none	NA	NA	NA
11.7	2.90	2.90	3.25	12	1	NM	1.20	3.6	41	12
3.7	3.52	3.52	3.37	–4	30	high	0.92	2.0	26	9
9.0	6.14	6.14	6.00	–2	1	NM	2.30	4.6	37	32
2.9	1.48	1.63E	2.13	31	8	high	0.46	1.4	31	6
NM	–5.82	–3.38	–0.78	NM	24	very low	0.25	0.9	NM	–19
13.4	2.91	2.91	2.77	–5	19	average	2.12	6.7	73	6
4.3	4.80	1.18	5.66	380	21	low	1.00	1.7	21	3
14.0	1.42	1.42	1.72	21	15	high	0.72	1.9	51	26
10.0	4.21	4.21	4.35	3	5	very high	1.32	3.3	31	5
16.6	2.58	2.58	2.13	–17	17	average	1.68	9.5	65	5

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro Scan from Lotus Information Services; Forbes.

The Forbes 500s on Wall Street

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high-low	Stock price 12-month high-low	Stock price recent	Stock performance latest 12 months price change	Stock performance latest 12 months relative to market	Stock price ratios price/earnings 5-year high-low	Stock price ratios price/earnings latest 12 months	Stock price ratios price/earnings 1987 est	Stock price ratios price/sales
Diamond Shamrock/Dec	DIA	n	25–10	16–10	15	32%	109	NM– 6	NM	64.1	0.67
Digital Equipment/Jun	DEC	n	173–31	173–76	165¾	106	170	29– 9	25.4	20.7	2.56
Dillard Dept Stores/Jan	DDSA	a	49– 3	49–32	44¼	3	85	21– 4	18.8	14.8	0.74
Dime Savings Bank/Dec	DIME	o	NA–NA	27–14*	25	NA	NA	NA–NA	6.6	4.1	0.63
Walt Disney/Sep	DIS	n	62–11	62–34	60⅛	72	142	31–12	27.1	24.4	2.89
Dominion Bankshares/Dec	DMBK	o	25– 6	25–18	21½	6	87	13– 5	10.7	10.1	0.90
Dominion Resources/Dec	D	n	52–18	52–38	45⅛	16	96	14– 6	11.0	11.1	1.38
RR Donnelley/Dec	DNY	n	80–19	80–59	76¼	2	84	20– 9	18.8	16.7	1.33
Dover/Dec	DOV	n	63–18	63–38	62½	36	112	26– 7	25.8	20.0	1.47
Dow Chemical/Dec	DOW	n	82–20	82–47	80⅞	53	126	NM– 8	20.9	17.3	1.39
Dow Jones/Dec	DJ	n	56–12	56–31	52⅞	43	118	36–13	28.0	28.4	4.51
Downey Savings & Loan/Dec	DSL	n	27– 2	27–17	21⅛	–8	76	15– 1	3.9	4.5	0.74
DPL/Dec	DPL	n	29–11	29–21	27¼	21	100	21– 4	8.9	8.8	1.17
Dresser Industries/Oct	DI	n	30–12	30–14	28⅜	59	131	NM– 4	NM	73.4	0.63
Dreyfus/Dec	DRY	n	46– 4	46–24	44⅛	45	120	23– 4	23.2	20.0	8.04
El du Pont/Dec	DD	n	115– 30	115–71	112	49	123	18– 7	17.6	15.9	1.00
Duke Power/Dec	DUK	n	52–20	52–39	46⅛	15	95	13– 6	11.5	11.4	1.39
Dun & Bradstreet/Dec	DNB	n	131– 29	131–96	125⅛	16	96	28–13	28.0	23.8	3.05
Duquesne Light/Dec	DQU	n	20–12	19–12	12⅞	–31	57	11– 5	7.1	6.8	1.03
E-Systems/Dec	ESY	n	45–11	40–29	34	12	92	31–11	17.0	14.6	0.91
Eastman Kodak/Dec	EK	n	82–40	82–52	76	29	106	NM–10	46.0	16.9	1.49
Eaton/Dec	ETN	n	86–23	86–63	80⅝	10	91	21– 6	18.8	11.4	0.62
Echlin/Aug	ECH	n	24– 6	24–15	23	39	115	20– 9	20.3	17.3	1.28
El Paso Electric/Dec	ELPA	o	22–10	22–14	19⅛	7	88	8– 4	8.2	7.7	2.14
Emerson Electric/Sep	EMR	n	109– 42	109–79	108⅜	21	100	19–10	19.0	17.9	1.53
Emhart/Dec	EMH	n	43–13	43–31	40⅜	2	84	17– 4	NM	12.4	0.60
Empire of America/Dec	EOA	a	NA–NA	7– 4*	6	NA	NA	NA–NA	3.2	NA	0.09
Engelhard/Dec	EC	n	45–18	43–23	40⅜	64	135	31– 7	30.6	17.2	0.72
Enron/Dec	ENE	n	55–21	51–34	46⅛	25	103	NM– 4	NM	23.4	0.27
Enserch/Dec	ENS	n	30–13	23–13	23	22	101	NM– 5	NM	27.4	0.48
Entex/Jun	ETX	n	24–11	24–13	17	–11	73	13– 4	NM	NM	0.33
Equitable Bancorp/Dec	EBNC	o	31– 4	31–22	29½	26	104	21– 6	13.2	11.8	1.00
Ethyl/Dec	EY	n	30– 2	30–16	29½	53	126	21– 4	21.1	19.8	1.67
Exxon/Dec	XON	n	86–25	86–53	84⅞	54	127	11– 5	11.4	13.4	0.87
Far West Financial/Dec	FWF	n	20– 2	20–11	13⅛	–34	54	14– 3	4.4	4.2	0.32
Farm & Home Savings/Dec	FAHS	o	28–12*	26–20	24¼	5	87	NM– 7*	7.9	7.7	0.57
Farmers Group/Dec	FGRP	o	50–15	50–37	47⅛	5	87	16– 7	15.3	13.1	2.92
Federal Co/May	FFF	n	52–10	52–28	49½	51	125	16– 6	14.1	12.7	0.65
Federal Express/May	FDX	n	74–21	74–51	62⅛	–5	78	29–11	NM	13.1	1.10
Fedl Natl Mortgage/Dec	FNM	n	48– 7	48–29	46¼	50	124	57–12	18.6	10.4	0.32
Federated Dept Strs/Jan	FDS	n	100– 36	100–73	95⅛	24	102	17– 6	15.3	12.6	0.42
Fidelcor/Dec	FICR	o	48– 8	48–35	42⅛	4	86	13– 3	10.7	9.5	0.86
Fifth Third Bancorp/Dec	FITB	o	65–12	65–44	57½	12	92	15– 5	12.7	11.8	2.27
Fin Corp of America/Dec	FIN	n	33– 4	17– 7	10	–32	56	16– 2	4.4	4.4	0.11
Fin Corp Santa Barbara/Dec	FSB	n	18– 3*	18–11	12	–7	77	17– 4*	3.7	3.7	0.17
Fireman's Fund/Dec	FFC	n	45–27*	45–32	40⅜	–6	78	27– 12*	11.8	9.8	0.73
Firestone/Oct	FIR	n	38–10	38–22	35⅞	39	115	NM– 7	31.8	13.4	0.39
First Alabama Bcshs/Dec	FABC	o	27– 5	27–19	22½	19	98	16– 4	13.5	12.2	1.82

*Range is for less than period indicated. ‡Does not include dividends in stock in another company. NA not available or not applicable. NM not meaningful. E estimate. Stock prices as of Mar. 19, 1987.

net profit margin	Earnings: latest 12 months EPS	Earnings: 1986 EPS	Earnings: estimated 1987 EPS	Earnings: % change '87 vs '86 EPS	Earnings: number of analysts	Earnings: confidence factor on estimate	Dividends: indicated rate	Dividends: yield	Dividends: payout ratio	Dividends: 5-year growth rate
NM	$–1.16	$–1.16	$0.24	NM	21	very low	$0.40‡	2.6%	NM	–19%
10.2%	6.52	4.81	8.02	67%	35	high	none	NA	NA	NA
4.0	2.35	2.35	2.99	27	14	average	0.12	0.3	5%	19
9.6	3.78	3.78	6.07	61	3	average	none	NA	NA	NA
11.1	2.22	1.82	2.46	35	19	average	0.32	0.5	14	1
8.4	2.01	2.01	2.13	6	12	high	0.72	3.3	36	9
12.4	4.10	4.10	4.05	–1	26	very high	2.96	6.6	72	7
7.1	4.05	4.05	4.56	13	15	high	1.40	1.8	35	16
5.8	2.42	2.42	3.12	29	13	average	0.92	1.5	38	8
6.7	3.87	3.87	4.68	21	28	high	2.00	2.5	52	3
16.2	1.89	1.89	1.86	–2	20	high	0.64	1.2	34	11
18.7	5.36	5.36	4.68	–13	2	NM	0.28	1.3	5	NA
13.1	3.05	3.05	3.10	2	13	high	2.00	7.3	66	1
NM	–0.32	0.01	0.39	NM	26	very low	0.40	1.4	NM	–6
34.7	1.90	1.90	2.21	16	4	average	0.68	1.5	36	3
5.7	6.35	6.35	7.06	11	31	high	3.20	2.9	50	7
13.8	4.04	4.04	4.08	1	25	high	2.68	5.7	66	4
10.9	4.47	4.47	5.26	18	20	very high	2.56	2.0	57	19
16.9	1.79	1.79	1.87	4	13	low	1.20	9.5	67	–6
5.4	2.00	2.00	2.33	16	29	very high	0.50	1.5	25	9
3.2	1.66	1.66	4.52	172	24	average	2.52	3.3	152	2
3.6	4.29	4.29	7.10	66	18	average	1.60	2.0	37	8
5.9	1.15	1.11	1.35	22	14	very high	0.50	2.1	43	18
30.1	2.32	2.32	2.47	6	8	average	1.52	7.9	66	4
8.0	5.71	5.62	6.07	8	19	very high	2.88	2.7	50	11
NM	–0.35	–0.35	3.28	NM	7	average	1.40	3.4	NM	6
3.2	1.99	1.99	NA	NA	NA	NA	0.26	4.1	13	NA
2.3	1.31	1.31	2.33	78	10	average	0.52	1.3	40	8
0.8	0.21	0.21	1.97	NM	25	very low	2.48	5.4	NM	4
0.7	0.01	0.01	0.84	NM	19	low	0.80	3.5	NM	–6
NM	–6.46	–3.77	1.09	NM	8	very low	1.40	8.0	NM	12
8.9	2.23	2.23	2.50	12	4	high	0.80	2.7	36	18
8.0	1.40	1.40	1.49	6	23	high	0.40	1.4	29	16
7.6	7.42	7.42	6.34	–15	38	average	3.60	4.2	49	5
6.8	3.01	3.01	3.13	4	2	NM	0.40	3.0	13	NM
7.3	3.07	3.07	3.15	3	1	NM	0.50	2.1	16	NM
19.1	3.09	3.09	3.62	17	19	high	1.20	2.5	39	15
4.6	3.52	3.97E	3.91	–2	5	very high	1.18	2.4	34	12
NM	–1.44	3.36E	4.74	41	13	average	none	NA	NA	NA
1.7	2.49	2.49	4.46	79	19	average	0.32	0.7	13	4
2.9	6.23	6.23	7.53	21	26	very high	2.68	2.8	43	4
9.0	3.95	3.95	4.42	12	12	average	1.40	3.3	35	16
17.0	4.53	4.53	4.89	8	5	high	1.44	2.5	32	20
2.9	2.25	2.25	2.25	0	7	low	none	NA	NA	NA
4.8	3.23	3.23	3.25	1	2	NM	none	NA	NA	NA
6.2	3.45	3.45	4.16	29	25	average	0.40	1.0	12	NA
1.2	1.13	0.49	2.67	NM	12	low	1.00	2.8	88	6
13.5	1.67	1.67	1.85	11	8	very high	0.76	3.4	46	12

Sources: William O'Neil & Co., The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro Scan from Lotus Information Services, Forbes.

The Forbes 500s on Wall Street

Company/fiscal year-end	Ticker symbol	Exch	Stock price: 5-year high-low	Stock price: 12-month high-low	Stock price: recent	Stock performance—latest 12 months: price change	Stock performance—latest 12 months: relative to market	Stock price ratios: price/earnings: 5-year high-low	Stock price ratios: price/earnings: latest 12 months	Stock price ratios: price/earnings: 1987 est	Stock price ratios: price/sales
First American/Dec	FATN	o	34– 8	34– 25	30	3%	85	12– 5	10.8	10.3	1.13
First Bank System/Dec	FBS	n	37– 7	37– 23	36⅝	32	109	11– 4	10.7	9.8	0.72
First Boston/Dec	FBC	n	63– 8	63– 41	51¼	–15	70	14– 2	10.0	9.2	0.50
First Capital/Dec	FCAP	o	32– 6	32– 24	29½	23	101	12– 6	10.9	9.8	1.20
First Chicago/Dec	FNB	n	35– 14	35– 26	29½	–6	78	29– 4	6.3	6.0	0.40
First Citizens Bcshs/Dec	FCNCA	o	47– 4	47– 30	33	16	96	19– 3	13.8	NA	1.07
First City Bancorp/Dec	FBT	n	30– 3	10– 3	3¼	–58	35	22– 4	NM	NM	0.09
First Columbia Finl/Dec	FCLF	o	30– 3	27– 12	14½	–44	46	54– 9	NM	14.3	0.14
First Commerce/Dec	FCOM	o	29– 14	26– 14	16¼	–17	68	22– 6	NM	14.3	0.51
First Empire State/Dec	FEMP	o	99– 17	99– 76	93½	9	90	21– 4	9.7	8.8	0.91
First Executive/Dec	FEXC	o	23– 4	23– 15	16⅝	–18	68	20– 6	9.4	8.7	0.33
First Federal Mich/Dec	FFOM	o	30– 6*	30– 21	27⅛	8	89	5– 2*	2.8	4.3	0.24
First Fidelity Bncp/Dec	FFB	n	45– 11	45– 32	43⅜	30	107	11– 3	10.6	10.0	1.00
First Florida Banks/Dec	FFBK	o	37– 8	37– 29	35⅝	4	86	13– 6	12.0	11.5	1.38
First Hawaiian/Dec	FHWN	o	29– 6	29– 20	29⅛	47	121	13– 4	12.7	11.4	1.25
First Interstate/Dec	I	n	67– 22	67– 51	59¼	–5	78	9– 4	8.2	7.5	0.53
First Jersey Natl/Dec	FJNC	o	57– 13	57– 43	55¼	22	101	13– 4	12.1	11.9	1.04
First Kentucky Natl/Dec	FKYN	o	31– 5	31– 24	26½	2	84	14– 4	11.5	10.4	1.20
First Maryland Bncp/Dec	FMDB	o	39– 8	39– 28	34¾	14	94	16– 4	13.0	11.7	0.92
First National Cinc/Dec	FNAC	o	50– 11	50– 34	42¼	3	85	16– 4	12.9	12.0	1.34
First of America Bk/Dec	FABK	o	54– 10	54– 41	50½	5	87	10– 4	9.2	8.8	0.87
First Pennsylvania/Dec	FPA	n	11– 2	11– 7	10⅞	16	96	NM– 69	NM	14.9	0.48
First Security/Dec	FSCO	o	35– 14	35– 22	25¾	–4	79	63– 4	62.8	11.6	0.51
First Tennessee Natl/Dec	FTEN	o	37– 9	37– 29	33⅜	8	89	12– 4	9.9	9.0	0.89
First Union/Dec	FUNC	o	30– 6	30– 23	28	5	87	12– 4	10.3	9.9	1.22
First Virginia Banks/Dec	FVB	n	38– 7	38– 27	34¼	13	93	14– 4	12.3	11.1	1.48
First Wachovia/Dec	FW	n	46– 11	46– 36	45⅜	4	86	14– 5	12.6	11.2	1.41
First Wisconsin/Dec	FWB	n	33– 5	33– 23	25⅜	10	91	14– 3	10.1	9.1	0.73
Fischbach/Sep	FIS	n	56– 20	37– 20	20⅞	–34	54	41– 4	NM	20.5	0.06
Fleet Financial/Dec	FLT	n	31– 5	31– 22	29	19	98	23– 3	22.7	20.3	2.50
Fleming Cos/Dec	FLM	n	46– 12	46– 31	45	3	85	25– 7	25.2	15.1	0.13
Florida Federal S&L/Jun	FLFE	o	23– 13*	23– 13	15⅛	–11	73	NM– 7*	NM	NM	0.28
Florida Natl Banks/Dec	FNBF	o	29– 8	29– 17	24	8	89	19– 4	18.5	11.9	0.98
Florida Progress/Dec	FPC	n	47– 15	47– 35	38⅞	7	88	13– 6	10.5	10.4	1.03
Fluor/Oct	FLR	n	25– 11	19– 11	15¾	–7	77	NM– 5	NM	NM	0.28
FMC/Dec	FMC	n	34– 5	34– 16	30⅜	79	148	55– 1	18.7	15.2	0.46
Food Lion/Dec	FDLNB	o	19– 2	19– 9	16	80	149	51– 13	41.0	32.7	1.07
Ford Motor/Dec	F	n	84– 8	84– 48	80⅞	60	132	36– 2	6.6	7.4	0.34
Fort Howard Paper/Dec	FHP	n	61– 16	61– 43	55¼	4	86	25– 10	25.3	20.0	2.40
Foster Wheeler/Dec	FWC	n	19– 10	19– 11	15⅜	10	91	21– 5	19.3	16.3	0.43
Fourth Financial/Dec	FRTH	o	28– 9	28– 19	23	–10	74	12– 6	10.0	9.6	1.25
FPL Group/Dec	FPL	n	38– 15	38– 29	31⅞	9	90	13– 5	11.0	10.2	0.76
Freeport-McMoRan/Dec	FTX	n	26– 12	25– 15	24¾	47	121	72– 8	65.1	22.3	2.62
GAF/Dec	GAF	n	47– 4	47– 28	41¾	24	102	49– 8	18.8	14.1	1.97
Gannett/Dec	GCI	n	50– 10	50– 33	49	36	112	29– 9	28.7	23.8	2.83
Gap/Jan	GPS	n	57– 2	57– 22	56½	146	203	40– 5	29.3	24.5	2.35
Geico/Dec	GEC	n	128– 21	128– 86	124½	37	113	21– 6	9.9	15.3	1.46
GenCorp/Nov	GY	n	112– 17	112– 65	109	36	112	NM– 6	18.7	17.2	0.79

*Range is for less than period indicated. ‡Does not include dividends in stock of another company. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 19, 1987.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1986 EPS	estimated 1987 EPS	% change '87 vs '86 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
10.1%	$2.79	$2.79	$2.91	4%	10	high	$1.00	3.3%	36%	12%
6.9	3.42	3.42	3.75	10	24	high	1.50	4.1	44	9
5.5	5.14	5.14	5.59	9	11	average	1.00	2.0	19	15
11.0	2.70	2.70	3.02	12	3	very high	0.80	2.7	30	8
6.9	4.70	4.70	4.90	4	26	high	1.50	5.1	32	3
7.9	2.40	2.40	NA	NA	NA	NA	0.24	0.7	10	NA
NM	–12.70	–12.70	–3.43	NM	14	very low	none	NA	NA	NA
NM	–5.69	–5.69	1.00	NM	1	NM	none	NA	NA	NA
1.0	0.05	0.05	1.14	NM	8	very low	1.20	7.4	NM	9
9.7	9.59	9.59	10.65	11	2	NM	1.60	1.7	17	13
4.3	1.76	1.76	1.92	9	13	average	none	NA	NA	NA
8.7	9.61	9.61	6.28	–35	6	low	0.40	1.5	4	NA
9.9	4.12	4.12	4.36	6	9	very high	1.68	3.9	41	6
11.5	2.97	2.97	3.11	5	4	very high	0.72	2.0	24	7
9.9	2.30	2.30	2.55	11	2	NM	0.90	3.1	39	4
6.5	7.19	7.19	7.95	11	31	very high	2.66	4.5	37	6
9.3	4.57	4.57	4.62	1	8	average	1.80	3.3	39	5
10.5	2.31	2.31	2.55	10	10	high	0.84	3.2	36	12
6.8	2.68	2.68	2.98	11	8	high	1.00	2.9	37	3
10.4	3.27	3.27	3.53	8	2	NM	1.56	3.7	48	8
9.5	5.47	5.47	5.72	5	5	very high	1.60	3.2	29	17
4.0	0.03	0.03	0.73	NM	9	low	none	NA	NA	NA
0.8	0.41	0.41	2.22	NM	5	low	1.10	4.3	268	3
9.0	3.41	3.41	3.72	9	8	high	1.16	3.4	34	10
11.7	2.72	2.72	2.84	4	26	very high	0.68	2.4	25	14
12.0	2.78	2.78	3.08	11	10	very high	1.00	2.9	36	13
11.2	3.59	3.59	4.06	13	29	high	1.20	2.6	33	14
7.9	2.53	2.53	2.83	12	8	very high	0.84	3.3	33	12
NM	–4.97	–4.06	1.02	NM	4	low	none	NA	NA	NA
11.3	2.58	2.58	2.89	12	19	very high	0.42	1.4	33	14
0.5	1.80	1.80	3.00	67	12	high	1.00	2.2	56	16
NM	–4.46	–6.99	0.20	NM	1	NM	none	NA	NA	NA
5.3	1.30	1.30	2.01	55	5	average	0.44	1.8	34	8
9.7	3.71	3.71	3.75	1	22	high	2.40	6.2	65	6
NM	–1.26	–0.76	0.11	NM	13	very low	none	NA	NA	NA
5.1	1.64	1.64	2.02	23	10	low	none	NA	NA	NA
2.6	0.39	0.39	0.49	26	12	very high	0.04	0.2	10	50
5.2	12.32	12.32	10.91	–11	26	average	2.60	3.2	21	89
9.5	2.18	2.18	2.76	27	23	average	1.08	2.0	50	18
2.2	0.81	0.81	0.96	19	9	average	0.44	2.8	54	0
12.3	2.29	2.29	2.40	5	2	NM	0.92	4.0	40	19
6.7	2.90	2.90	3.14	8	27	average	2.04	6.4	70	5
4.1	0.38	0.38	1.11	192	14	low	0.60‡	2.4	158	0
10.7	2.22	2.22	2.97	34	9	average	0.10	0.2	5	–10
9.9	1.71	1.71	2.06	20	23	high	0.92	1.9	54	11
8.0	1.93	1.93	2.31	20	18	average	0.50	0.9	26	22
15.2	12.61	12.61	8.16	–35	21	high	1.36	1.1	11	17
4.2	5.82	5.82	6.35	9	12	high	1.50	1.4	26	2

Sources: William O'Neil & Co., The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan and Micro Scan from Lotus Information Services, Forbes.

The Forbes 500s on Wall Street

Company/fiscal year-end	Ticker symbol	Exch	Stock price: 5-year high-low	Stock price: 12-month high-low	Stock price: recent	Stock performance—latest 12 months: price change	Stock performance—latest 12 months: relative to market	Stock price ratios: price/earnings: 5-year high-low	Stock price ratios: price/earnings: latest 12 months	Stock price ratios: price/earnings: 1987 est	Stock price ratios: price/sales
Genentech/Dec	GENE	o	64– 4	64– 28	58¼	69%	139	NM–NM	NM	NM	35.30
General Cinema/Oct	GCN	n	59– 9	59– 37	50⅜	6	87	24– 7	14.9	18.4	1.72
General Dynamics/Dec	GD	n	89– 20	89– 67	74⅜	–10	74	19– 7	NM	7.4	0.36
General Electric/Dec	GE	n	108– 30	108– 71	105¼	35	111	19– 8	19.3	16.6	1.36
General Mills/May	GIS	n	54– 16	54– 34	52¾	36	112	NM– 7	21.6	16.9	0.96
General Motors/Dec	GM	n	89– 37	89–66	77¾	–8	76	48– 4	9.5	11.0	0.24
General Public Utils/Dec	GPU	n	27– 5	27– 18	26	36	112	18– 5	8.0	7.8	0.59
General Re/Dec	GRN	n	70– 17	70– 49	65¼	4	86	43– 8	21.8	14.2	2.11
General Signal/Dec	GSX	n	54– 28	54– 39	48	–7	77	43– 7	18.5	15.4	0.87
Genuine Parts/Dec	GPC	n	53– 20	53– 40	52⅜	21	100	23– 11	23.0	19.2	1.16
Georgia-Pacific/Dec	GP	n	53– 13	53– 28	51	59	131	NM– 5	19.0	15.6	0.76
Giant Food/Feb	GFSA	a	34– 3	34– 24	31	19	98	20– 4	20.0	14.3	0.37
Gibraltar Financial/Dec	GFC	n	16– 3	14– 10	12⅜	19	98	12– 2	4.1	4.6	0.22
Gillette/Dec	GS	n	69– 15	69– 36	58¾	35	111	NM– 8	NM	16.6	1.20
GlenFed/Jun	GLN	n	34– 7*	34– 20	29¼	36	112	8– 3*	5.8	6.1	0.35
Golden West Finl/Dec	GDW	n	47– 3	47– 31	42	16	96	27– 3	7.1	7.2	0.97
BF Goodrich/Dec	GR	n	58– 17	58– 36	55⅛	26	104	NM– 7	NM	15.6	0.50
Goodyear/Dec	GT	n	56– 20	56– 29	54	58	130	47– 6	46.6	11.5	0.58
WR Grace/Dec	GRA	n	62– 29	62– 45	61¼	23	101	28– 5	NM	26.2	0.69
WW Grainger/Dec	GWW	n	53– 17	53– 37	44⅞	13	93	19– 8	15.2	16.0	1.12
Gt Am First Savings/Dec	GTA	n	25– 5*	25– 16	22½	38	114	10– 3*	5.4	5.9	0.41
Great A&P Tea/Feb	GAP	n	32– 5	32– 20	31⅜	39	115	22– 10	17.2	15.3	0.15
Great Lakes Fedl S&L/Dec	GLFS	o	28– 5	28– 19	26⅜	5	87	7– 3	4.5	6.4	0.35
Gt Northern Nekoosa/Dec	GNN	n	92– 19	92– 44	90½	92	158	28– 6	28.3	14.5	1.18
Gt Western Financial/Dec	GWF	n	56– 10	56– 38	55	31	108	NM– 4	7.8	7.8	0.66
Greyhound/Dec	G	n	38– 13	38– 27	36	2	84	16– 5	8.7	14.2	0.46
Grumman/Dec	GQ	n	36– 11	33– 23	28⅜	8	89	22– 6	12.3	13.5	0.27
GTE/Dec	GTE	n	43– 18	43– 32	41½	20	99	12– 6	11.8	10.7	0.91
Guarantee Financial/Dec	GFCC	o	30– 3	30– 10	29⅞	87	154	NM– 3	27.4	14.9	0.52
Gulf & Western/Oct	GW	n	82– 11	82– 54	78⅞	31	108	21– 4	18.7	16.5	1.21
Gulf States Utils/Dec	GSU	n	17– 7	13– 7	9⅛	–22	64	7– 4	5.3	5.4	0.67
Halliburton/Dec	HAL	n	47– 17	36– 17	35	44	119	NM– 4	NM	NM	1.05
Hanover Insurance/Dec	HINS	o	77– 12	77– 57	75½	16	96	64– 3	9.9	7.4	1.34
Harcourt Brace/Dec	HBJ	n	39– 4	39– 26	35¼	22	101	70– 6	18.7	16.2	1.08
Harris Corp/Jun	HRS	n	52– 20	40– 27	37¼	28	106	29– 8	22.0	20.0	0.78
Hartford National/Dec	HNAT	o	32– 8	32– 24	29⅞	10	91	12– 4	10.3	9.2	1.17
Hasbro/Dec	HAS	a	31– 1	31– 19	25¾	12	92	17– 4	15.1	12.2	1.01
HJ Heinz/Apr	HNZ	n	51– 9	51– 37	46⅞	20	99	21– 7	19.7	16.8	1.35
Henley Group/Dec	HENG	o	NA–NA	27– 17*	26½	NA	NA	NA–NA	NM	NM	0.91
Hercules/Dec	HPC	n	65– 17	65– 42	59⅜	32	109	19– 7	14.8	14.0	1.25
Hershey Foods/Dec	HSY	n	30– 6	30– 19	27¼	35	111	22– 6	19.2	16.2	1.13
Hewlett-Packard/Oct	HWP	n	61– 19	61– 36	60¼	40	116	31– 12	29.5	24.9	2.14
Hibernia/Dec	HIBCA	o	27– 7	27– 17	27	54	127	11– 6	11.4	10.2	1.27
Hillenbrand Inds/Nov	HB	n	31– 5	31– 15	28⅜	92	158	22– 7	22.0	16.7	1.74
Hilton Hotels/Dec	HLT	n	89– 28	89– 63	87⅞	24	102	22– 8	22.4	19.5	3.04
Holiday Corp/Dec	HIA	n	83– 24	83– 54	80½	21	100	27– 8	19.4	26.8	1.15
Home Federal S&L/Dec	HFD	n	39– 12*	39– 25	35¼	14	94	25– 4*	7.2	7.6	0.63
Home Group/Dec	HME	a	32– 16*	32– 17	23⅛	–22	64	19– 6*	6.2	7.0	0.39

*Range is for less than period indicated. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 19, 1987.

net profit margin	Earnings: latest 12 months EPS	Earnings: 1986 EPS	Earnings: estimated 1987 EPS	Earnings: % change '87 vs '86 EPS	Earnings: number of analysts	Earnings: confidence factor on estimate	Dividends: indicated rate	Dividends: yield	Dividends: payout ratio	Dividends: 5-year growth rate
NM	$–5.08	$–5.08	$0.43	NM	23	low	none	NA	NA	NA
12.4%	3.38	3.43	2.74	–20%	11	average	$0.60	1.2%	18%	21%
NM	–1.23	–1.23	10.03	NM	28	high	1.00	1.3	NM	11
7.1	5.46	5.46	6.33	16	23	very high	2.52	2.4	46	9
4.5	2.44	2.50E	3.12	25	21	high	1.28	2.4	52	–2
2.9	8.21	8.21	7.09	–14	28	low	5.00	6.4	61	23
7.4	3.26	3.26	3.34	2	17	high	none	NA	NA	NA
9.6	2.99	2.99	4.59	54	28	high	1.00	1.5	33	12
4.7	2.60	2.60	3.12	20	13	average	1.80	3.7	69	3
5.1	2.28	2.28	2.73	20	23	high	1.36	2.6	60	15
4.1	2.69	2.69	3.27	22	26	average	1.00	2.0	37	3
1.8	1.55	1.72E	2.17	26	8	average	0.60	1.9	39	31
4.9	3.05	3.05	2.71	–11	13	low	0.30	2.4	10	NM
0.6	0.25	0.25	3.53	NM	22	average	1.52	2.6	NM	–3
6.2	5.03	3.56	4.82	35	16	low	0.60	2.1	12	NM
13.5	5.89	5.89	5.87	0	20	average	0.20	0.5	3	61
0.5	0.46	0.46	3.54	NM	14	very low	1.56	2.8	339	NM
1.4	1.16	1.16	4.68	307	12	low	1.60	3.0	138	7
NM	–11.25	–11.25	2.34	NM	17	very low	2.80	4.6	NM	NA
7.4	2.96	2.96	2.80	–5	19	high	0.72	1.6	24	6
7.5	4.18	4.18	3.82	–9	9	high	0.60	2.7	14	66
0.9	1.82	1.67E	2.05	13	2	NM	0.40	1.3	22	NA
7.8	5.83	5.83	4.10	–30	3	low	0.60	2.3	10	NA
4.2	3.20	3.20	6.23	95	19	low	1.84	2.0	58	5
8.0	7.02	7.02	7.08	1	22	average	1.20	2.2	17	30
6.0	4.12	4.12	2.54	–38	12	average	1.32	3.7	32	3
2.3	2.32	2.32	2.12	–9	18	average	1.00	3.5	43	10
7.8	3.53	3.53	3.87	10	30	average	2.44	5.9	69	3
1.9	1.09	1.09	2.00	53	1	NM	0.40	1.3	37	NM
6.6	4.22	3.66	4.78	31	19	average	1.20	1.5	28	5
16.6	1.71	1.71	1.70	–1	19	low	none	NA	NA	NA
NM	–4.85	–4.85	0.37	NM	33	very low	1.00	2.9	NM	–5
6.8	7.65	7.65	10.19	33	5	high	0.28	0.4	4	–6
5.4	1.91	1.91	2.21	16	7	very high	0.40	1.1	21	3
3.4	1.69	1.48	1.86	26	20	low	0.88	2.4	52	NA
11.1	2.90	2.90	3.25	12	9	very high	1.20	4.0	41	10
7.4	1.71	1.71	2.11	23	14	average	0.09	0.3	5	22
7.2	2.38	2.40E	2.79	27	18	very high	1.12	2.4	47	16
NM	–5.33	–5.33	0.03	NM	9	very low	none	NA	NA	NA
8.7	4.02	4.02	4.25	6	26	average	1.76	3.0	44	7
6.1	1.42	1.42	1.68	18	18	high	0.54	2.0	38	12
7.2	2.04	2.02	2.42	20	38	average	0.22	0.4	11	14
9.7	2.36	2.36	2.65	12	6	very high	1.00	3.7	42	2
7.9	1.30	1.30	1.71	32	6	low	0.35	1.2	27	10
13.6	3.92	3.92	4.51	15	19	high	1.80	2.0	46	NA
6.3	4.15	4.15	3.00	–28	13	very low	none	NA	NA	NA
8.8	4.87	4.87	4.66	–4	18	average	0.20	0.6	4	NA
6.6	3.71	3.71	3.32	186	12	low	0.20	0.9	5	NA

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro Scan from Lotus Information Services; Forbes.

The Forbes 500s on Wall Street

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high-low	Stock price 12-month high-low	Stock price recent	Stock performance latest 12 months price change	Stock performance latest 12 months relative to market	Stock price ratios price/earnings 5-year high-low	Stock price ratios price/earnings latest 12 months	Stock price ratios price/earnings 1987 est	Stock price ratios price/sales
Home Shopping Network/Aug	HSN	a	NA–NA	47– 7*	22	NA	NA	NA–NA	64.7	22.4	5.18
Homestake Mining/Dec	HM	n	38– 8	30– 20	28¾	13%	93	NM– 22	62.2	38.7	4.43
Homestead Financial/Dec	HFL	n	13– 1	13– 8	12⅛	13	93	11– 2	3.5	2.9	0.24
Honeywell/Dec	HON	n	87– 30	84– 58	70½	–7	77	17– 5	NM	13.2	0.60
Horizon Bancorp/Dec	HZB	n	59– 9	59– 40	57½	41	116	15– 4	15.1	13.2	1.52
George A Hormel/Oct	HRL	a	39– 9	39– 27	38½	35	111	22– 6	21.3	16.7	0.38
Hospital Corp of America/Dec	HCA	n	57– 19	43– 30	35¼	–12	73	22– 9	16.9	11.2	0.59
Household Intl/Dec	HI	n	57– 15	57– 39	57	22	101	13– 6	11.1	12.0	0.84
Houston Industries/Dec	HOU	n	39– 18	39– 29	36½	18	97	16– 5	9.6	9.0	1.18
Howard Savings Bank/Dec	HWRD	o	26– 6*	26– 17	23⅞	22	101	42– 7*	13.6	11.2	0.87
Humana/Aug	HUM	n	37– 13	32– 19	22½	–23	64	60– 11	56.2	12.1	0.82
Huntington Bcshs/Dec	HBAN	o	34– 7	34– 22	29⅜	6	87	14– 4	11.1	10.1	1.04
EF Hutton Group/Dec	EFH	n	54– 18	54– 32	41⅛	–4	79	62– 6	NM	17.4	0.49
IC Industries/Dec	ICX	n	31– 6	31– 21	29½	31	108	21– 5	NM	16.3	0.78
ICH/Dec	ICH	a	33– 2	33– 16	17	–22	64	14– 4	5.8	4.9	0.58
Idaho Power/Dec	IDA	n	31– 11	31– 24	28	11	92	16– 5	14.0	13.7	2.33
Illinois Power/Dec	IPC	n	32– 18	32– 24	28½	3	85	8– 4	7.2	7.9	1.58
Illinois Tool Works/Dec	ITW	n	76– 12	76– 37	75½	89	156	33– 8	24.3	21.9	2.01
Imperial Corp of Am/Dec	ICA	n	20– 5	20– 11	19⅛	68	139	NM– 3	5.2	5.2	0.26
IMS International/Dec	IMSI	o	32– 3	32– 19	29¼	40	116	36– 11	32.5	26.4	3.19
Indiana National/Dec	INAT	o	48– 7	48– 33	39½	9	90	14– 3	11.3	10.5	1.09
Ingersoll-Rand/Dec	IR	n	81– 36	81– 51	78½	16	96	19– 4	16.3	15.3	0.56
Inland Steel Inds/Dec	IAD	n	35– 15	28– 15	24¼	–11	73	61– 45	60.6	16.2	0.23
Integrated Resources/Dec	IRE	n	46– 9	40– 16	27¾	–22	64	17– 4	NM	14.2	0.26
Intel/Dec	INTC	o	50– 12	40– 16	40	48	122	NM– 13	NM	50.0	3.72
Interco/Feb	ISS	n	48– 18	48– 37	45½	16	96	19– 6	14.6	12.7	0.51
InterFirst/Dec	IFC	n	30– 4	9– 4	4⅞	–37	52	15– 4	NM	NM	0.18
Intergraph/Dec	INGR	o	41– 4	36– 15	24¼	–27	60	61– 12	19.2	17.2	2.26
IBM/Dec	IBM	n	162– 57	162–116	147	–3	80	19– 9	18.8	16.5	1.74
Intl Flavors & Frag/Dec	IFF	n	50– 17	50– 35	47⅞	21	100	23– 10	20.8	18.0	2.88
Intl Minerals & Chem/Jun	IGL	n	49– 24	35– 25	31⅛	–7	77	66– 5	NM	NM	0.58
Intl Multifoods/Feb	IMC	n	32– 14	32– 23	29⅛	7	88	20– 5	19.4	13.0	0.30
International Paper/Dec	IP	n	101– 33	101– 55	101	67	138	57– 4	17.4	15.4	0.96
Iowa-Illinois G&E/Dec	IWG	n	47– 18	47– 37	43⅛	10	91	12– 5	11.0	10.5	1.07
Ipalco Enterprises/Dec	IPL	n	30– 11	30– 21	24⅜	17	97	15– 6	7.5	11.7	1.81
Irving Bank/Dec	V	n	59– 16	59– 46	46⅝	–10	74	9– 3	6.8	6.3	0.43
ITT/Dec	ITT	n	66– 21	66– 43	65	41	116	26– 5	18.4	12.3	0.54
IU International/Dec	IU	n	26– 8	19– 12	18⅞	10	91	62– 4	11.2	13.4	0.35
James River Corp Va/Apr	JR	n	43– 6	43– 22	40½	38	114	22– 6	21.2	14.1	0.84
Jefferson-Pilot/Dec	JP	n	41– 10	41– 32	33⅞	–7	77	14– 5	11.2	10.8	1.31
Jim Walter/Aug	JWC	n	61– 10	61– 40	61	34	111	NM– 5	12.5	13.5	0.83
Johnson & Johnson/Dec	JNJ	n	93– 28	93– 51	90	69	139	49– 11	48.6	19.7	2.22
Johnson Controls/Sep	JCI	n	36– 9	36– 27	30⅜	4	86	18– 5	15.2	13.1	0.46
K mart/Jan	KM	n	63– 16	63– 41	61¼	40	116	29– 7	13.8	12.8	0.35
Kaiser Alum & Chem/Dec	KLU	n	23– 12	23– 13	17⅜	–18	68	NM–NM	NM	52.7	0.35
Kansas City P&L/Dec	KLT	n	32– 14	32– 23	29	9	90	11– 3	10.4	10.2	1.35
Kansas Gas & Elec/Dec	KGE	n	25– 10	25– 16	23½	40	116	20– 4	20.1	13.7	1.93
Kansas Power & Light/Dec	KAN	n	65– 19	65– 45	52¼	14	94	13– 5	10.9	10.4	0.76

*Range is for less than period indicated. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 19, 1987.

net profit margin	Earnings: latest 12 months EPS	1986 EPS	estimated 1987 EPS	% change '87 vs '86 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout ratio	5-year growth rate
7.9%	$0.34	$0.21	$0.98	367%	6	average	none	NA	NA	NA
7.2	0.46	0.46	0.74	61	19	low	$0.20	0.7%	43%	6%
7.4	3.44	3.44	4.25	24	2	NM	0.40	3.3	12	5
NM	–8.83	–8.83	5.36	NM	22	average	2.00	2.8	NM	3
10.5	3.81	3.81	4.34	14	5	very high	1.36	2.4	36	10
1.8	1.80	2.03	2.29	13	7	average	0.60	1.6	33	5
3.5	2.08	2.08	3.14	51	36	average	0.72	2.0	35	24
9.0	5.12	5.12	4.76	–12	10	high	1.86	3.3	36	5
12.0	3.81	3.81	4.07	7	24	high	2.80	7.7	73	7
6.3	1.75	1.75	2.13	22	2	NM	0.40	1.7	23	NA
1.4	0.40	0.56	1.86	232	35	average	0.76	3.4	190	20
9.2	2.65	2.65	2.91	10	7	very high	0.84	2.9	32	11
NM	–2.90	–2.90	2.36	NM	11	low	0.88	2.1	NM	7
NM	–1.24	–1.24	1.81	NM	11	high	0.80	2.7	NM	9
9.8	2.94	2.94	3.45	49	4	average	none	NA	NA	NA
19.2	2.00	2.00	2.04	2	18	average	1.80	6.4	90	6
24.7	3.98	3.98	3.62	–9	22	average	2.64	9.3	66	–1
8.3	3.11	3.11	3.45	11	12	high	0.80	1.1	26	8
5.0	3.67	3.67	3.69	1	11	low	none	NA	NA	NA
10.3	0.90	0.90	1.11	23	10	very high	0.16	0.5	18	26
9.4	3.49	3.49	3.75	7	3	high	1.10	2.8	32	14
3.6	4.81	4.81	5.13	7	21	average	2.60	3.3	54	–3
0.6	0.40	0.40	1.50	275	14	very low	none	NA	NA	NA
3.4	–0.33	–0.33	1.95	NM	NA	NA	none	NA	NA	NA
NM	–1.57	–1.57	0.80	NM	36	very low	none	NA	NA	NA
3.9	3.12	3.15E	3.58	14	8	average	1.60	3.5	51	3
NM	–4.86	–4.86	–0.48	NM	13	very low	none	NA	NA	NA
11.6	1.26	1.26	1.41	12	31	average	none	NA	NA	NA
9.3	7.81	7.81	8.92	14	39	average	4.40	3.0	56	7
13.8	2.29	2.29	2.64	15	13	very high	1.24	2.6	54	9
NM	–8.99	–8.04	0.10	NM	17	very low	1.00	3.2	NM	–17
1.4	1.50	1.53E	2.24	11	9	average	1.18	4.1	79	4
5.5	5.79	5.79	6.55	13	21	average	2.40	2.4	41	7
10.7	3.91	3.91	4.09	5	8	high	3.04	7.0	78	5
24.0	3.27	3.27	2.11	–35	22	high	1.56	6.3	48	4
6.6	6.83	6.83	7.32	7	14	very high	2.24	4.8	33	6
3.2	3.53	3.53	5.30	50	16	average	1.00	1.5	28	–28
3.2	1.69	1.69	1.41	–19	12	low	0.60	3.2	36	–16
3.7	1.91	2.32E	2.87	62	17	average	0.40	1.0	21	19
11.8	3.02	3.02	3.14	4	18	average	1.12	3.3	37	11
6.6	4.89	4.64	4.53	–2	14	high	1.40	2.3	29	21
4.7	1.85	1.85	4.57	147	34	very high	1.40	1.6	76	9
3.3	2.01	2.35	2.33	–1	12	average	1.06	3.5	53	8
2.5	4.47	4.47	4.84	8	30	very high	1.74	2.8	39	11
NM	–0.89	–0.89	0.33	NM	16	very low	none	NA	NA	NA
16.0	2.80	2.80	2.83	1	12	average	2.00	6.9	71	1
11.5	1.17	1.17	1.71	46	15	low	1.36	5.8	116	–13
7.6	4.85	4.85	5.07	5	18	high	3.30	6.3	68	7

Sources: William O'Neil & Co. The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan from Lotus Information Services; Forbes.

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Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high-low	Stock price 12-month high-low	Stock price recent	Stock performance —latest 12 months— price change	Stock performance —latest 12 months— relative to market	Stock price ratios price/earnings 5-year high-low	Stock price ratios price/earnings latest 12 months	Stock price ratios price/earnings 1987 est	Stock price ratios price/sales
Kaufman & Broad/Nov	KB	n	28– 4	28– 15	27⅞	53%	126	16– 5	12.7	11.2	0.42
Kellogg/Dec	K	n	63– 11	63– 37	59¼	46	120	23– 8	23.0	19.2	2.19
Kemper/Dec	KEMC	o	39– 8	39– 23	37	12	92	27– 4	10.9	11.5	0.67
Kentucky Utilities/Dec	KU	n	48– 18	48– 34	38⅜	9	90	17– 6	13.5	12.3	1.32
Kerr-McGee/Dec	KMG	n	38– 23	36– 24	34⅜	26	104	33– 6	NM	29.4	0.66
KeyCorp/Dec	KEY	n	31– 5	31– 21	30	3	85	11– 4	10.2	9.3	1.05
Kidde/Dec	KDE	n	39– 17	39– 28	35½	–2	81	33– 4	32.9	14.6	0.32
Kimberly-Clark/Dec	KMB	n	115– 28	115– 78	112⅞	30	107	19– 6	19.2	16.4	1.21
Knight-Ridder/Dec	KRI	n	58– 14	58– 43	55⅛	13	93	25– 9	22.9	19.4	1.64
Koppers/Dec	KOP	n	37– 11	37– 22	36¼	30	107	36– 11	17.3	13.2	0.75
Kraft/Dec†	KRA	n	66– 16	66– 47	60	26	104	22– 7	21.7	16.8	0.97
Kroger/Dec	KR	n	35– 14	35– 23	35⅛	48	122	64– 6	63.9	14.9	0.17
Leaseway Transport/Dec	LTC	n	51– 24	51– 37	50¼	29	106	18– 6	11.6	16.4	0.37
Liberty National/Dec	LNBC	o	41– 7	41– 28	33½	8	89	14– 4	11.2	10.5	1.13
Life Investors/Dec	LINV	o	52– 24	52– 48	51	5	87	16– 10	13.4	NA	0.44
Eli Lilly/Dec	LLY	n	101– 23	101– 59	95⅞	43	118	24– 8	23.9	21.1	3.58
Limited/Jan	LTD	n	49– 1	49– 25	46¼	74	144	45– 9	38.2	27.4	2.78
LIN Broadcasting/Dec	LINB	o	37– 5	36– 21	35	56	129	61– 10	60.9	NM	19.13
Lincoln National/Dec	LNC	n	63– 17	63– 45	50½	–17	68	14– 6	8.3	8.6	0.37
Litton Industries/Jul	LIT	n	94– 35	92– 72	83⅞	–2	81	49– 5	46.1	15.5	0.50
Liz Claiborne/Dec	LIZC	o	65– 2	65– 33	64¼	84	152	32– 7	32.1	24.8	3.42
Lockheed/Dec	LK	n	60– 15	60– 43	51⅛	–10	74	11– 6	8.3	7.3	0.33
Loews/Dec	LTR	n	77– 11	77– 58	73	10	91	11– 4	10.9	10.1	0.71
Lomas & Nettleton/Jun	LNF	n	39– 7	39– 23	37¼	30	107	17– 7	17.1	19.7	2.30
Lone Star Industries/Dec	LCE	n	41– 18	41– 27	39⅛	15	95	NM– 4	5.6	24.8	0.65
Long Island Lighting/Dec	LIL	n	18– 4	15– 10	11	–3	80	7– 1	4.8	4.5	0.62
Longs Drug Stores/Jan	LDG	n	39– 12	39– 28	34⅛	21	100	23– 9	19.3	16.4	0.45
Loral/Mar	LOR	n	49– 12	49– 37	47	6	87	25– 11	20.2	15.3	1.65
Louisiana Bancshares/Dec	LABS	o	19– 7	16– 7	8¼	–30	58	23– 9	NM	25.0	0.45
Louisiana-Pacific/Dec	LPX	n	39– 12	39– 22	37¼	40	116	NM– 11	22.1	16.1	0.95
Louisville Gas & Elec/Dec	LOU	n	44– 18	44– 32	39⅛	14	94	14– 6	12.0	11.8	1.17
Lowe's Cos/Jan	LOW	n	42– 8	42– 23	31⅛	–17	68	37– 10	22.1	16.5	0.54
LTV/Dec	LTV	n	20– 1	10– 1	2¼	–72	23	NM–NM	NM	NM	0.04
Lubrizol/Dec	LZ	n	40– 14	40– 26	38	32	109	19– 9	19.3	17.7	1.53
Lucky Stores/Jan	LKS	n	38– 13	38– 24	31⅞	23	101	32– 6	6.9	15.8	0.19
Mack Trucks/Dec	MACK	o	22– 9*	19– 10	18	41	116	24– 6*	NM	23.7	0.31
Macmillan/Dec	MLL	n	60– 6	60– 40	56⅛	28	106	24– 7	22.5	19.4	1.55
Mfrs Hanover/Dec	MHC	n	58– 23	58– 42	43⅛	–15	70	7– 3	5.0	5.0	0.24
Manufacturers Natl/Dec	MNTL	o	54– 6	54– 38	47	–1	82	11– 3	8.9	8.3	0.82
Manville/Dec	MAN	n	17– 2	9– 2	2½	–66	28	26– 1	1.1	50.0	0.03
Mapco/Dec	MDA	n	65– 21	65– 36	64½	69	139	18– 6	17.6	12.4	0.87
Marine/Dec	MCRP	o	51– 10	51– 38	44½	9	90	11– 3	9.7	8.7	0.68
Marine Midland Banks/Dec	MM	n	57– 13	57– 45	49⅛	3	85	8– 3	6.8	6.3	0.41
Marion Laboratories/Jun	MKC	n	69– 3	69– 28	68¼	120	182	NM– 24	75.0	63.8	10.76
Marriott/Dec	MHS	n	44– 6	44– 26	39⅜	44	119	29– 10	28.3	23.3	0.98
Marsh & McLennan/Dec	MMC	n	77– 15	77– 50	68½	34	111	59– 9	20.8	15.7	2.81
Marshall & Ilsley/Dec	MRIS	o	39– 7	39– 26	32½	16	96	14– 5	14.0	10.4	1.03
Martin Marietta/Dec	ML	n	51– 10	51– 37	50	25	103	17– 5	13.6	11.3	0.58

*Range is for less than period indicated. †Prices are as originally reported, adjusted for splits; stock performance includes value of special distributions. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 19, 1987.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1986 EPS	estimated 1987 EPS	% change '87 vs '86 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
3.9%	$2.20	$2.20	$2.49	13%	6	high	$0.33	1.2%	15%	26%
9.5	2.58	2.58	3.09	16	27	high	1.08	1.8	42	7
6.0	3.40	3.40	3.23	29	14	average	0.60	1.6	18	0
11.7	2.85	2.85	3.11	9	14	high	2.52	6.6	88	3
NM	–6.01	–6.01	1.17	NM	23	very low	1.10	3.2	NM	NA
10.0	2.93	2.93	3.24	11	8	very high	1.12	3.7	38	16
1.1	1.08	1.08	2.43	125	3	very high	1.20	3.4	111	3
6.3	5.87	5.87	6.90	18	21	high	2.88	2.6	49	6
7.3	2.41	2.41	2.84	18	27	high	1.00	1.8	41	21
4.5	2.09	2.09	2.74	31	8	average	0.80	2.2	38	–9
4.5	2.77	2.77	3.58	29	25	very high	1.72	2.9	62	9
0.3	0.55	0.55	2.35	327	13	high	1.05	3.0	191	3
3.9	4.33	4.33	3.06	–29	10	low	1.50	3.0	35	5
10.0	3.00	3.00	3.20	7	2	NM	0.84	2.5	28	–2
3.4	3.81	3.81	NA	NA	NA	NA	0.24	0.5	6	7
15.0	4.01	4.01	4.55	13	36	very high	2.00	2.1	50	9
7.2	1.21	1.21	1.69	40	20	average	0.24	0.5	20	53
32.7	1.15	1.15	0.93	–20	11	average	none	NA	NA	NA
4.7	6.12	6.12	5.84	–5	23	high	2.16	4.3	35	5
1.1	1.82	2.52	5.41	115	17	high	none	NA	NA	NA
10.6	2.00	2.00	2.59	29	10	high	0.25	0.4	13	82
4.0	6.18	6.18	6.98	13	31	high	1.00	2.0	16	71
6.6	6.69	6.69	7.24	8	6	high	1.00	1.4	15	107
13.2	2.21	2.19	1.92	–12	9	average	1.12	3.0	51	19
13.3	7.01	7.01	1.58	–77	8	low	1.90	4.9	27	0
16.0	2.28	2.28	2.46	8	19	low	none	NA	NA	NA
2.4	1.78	1.78	2.10	18	11	high	0.76	2.2	43	11
8.3	2.33	2.42E	3.07	27	29	average	0.60	1.3	26	18
NM	–0.26	–0.26	0.35	NM	5	very low	none	NA	NA	NA
4.3	1.71	1.71	2.34	37	17	low	0.80	2.1	46	3
11.1	3.26	3.26	3.33	2	13	very high	2.60	6.6	80	5
2.4	1.41	1.41	1.89	34	22	average	0.40	1.3	28	7
44.7	–35.41	–35.41	0.02	NM	6	very low	none	NA	NA	NA
7.9	1.97	1.97	2.15	9	15	average	1.20	3.2	61	3
3.6	4.62	4.62	2.02	–56	14	average	0.50	1.6	11	–5
NM	–1.18	–1.18	0.76	NM	9	very low	none	NA	NA	NA
7.0	2.51	2.51	2.90	16	8	high	0.72	1.3	29	23
5.3	8.80	8.80	8.65	–2	25	high	3.28	7.5	37	5
9.1	5.27	5.27	5.67	8	7	high	1.44	3.1	27	24
4.2	2.34	2.34	0.05	NA	1	NM	none	NA	NA	NA
5.0	3.67	3.67	5.20	42	10	average	1.00	1.6	27	–14
8.9	4.61	4.61	5.09	10	3	very high	1.48	3.3	32	9
6.5	7.19	7.19	7.78	8	6	high	2.04	4.1	28	11
15.0	0.91	0.71	1.07	51	20	high	0.28	0.4	31	31
3.6	1.40	1.40	1.70	21	19	very high	0.16	0.4	11	24
13.5	3.30	3.30	4.36	32	21	average	1.90	2.8	58	12
9.7	2.95	2.95	3.14	6	7	high	0.80	2.5	27	–5
4.3	3.67	3.67	4.44	21	27	high	1.00	2.0	27	4

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro Scan from Lotus Information Services; Forbes

The Forbes 500s on Wall Street

Company/fiscal year end	Ticker symbol	Exch	Stock price 5-year high-low	Stock price 12-month high-low	Stock price recent	Stock performance —latest 12 months— price change	Stock performance —latest 12 months— relative to market	Stock price ratios price/earnings 5-year high-low	Stock price ratios price/earnings latest 12 months	Stock price ratios price/earnings 1987 est	Stock price ratios price/sales
Maryland National/Dec	MDNT	o	51– 10	51– 39	49	16%	96	11– 4	9.8	9.2	0.90
Masco/Dec	MAS	n	39– 7	39– 24	38⅞	39	115	25– 8	24.9	21.1	3.50
May Dept Stores/Jan	MA	n	49– 8	49– 33	47⅞	35	111	20– 6	19.5	16.1	0.70
Maytag/Dec	MYG	n	58– 12	58– 36	57½	31	108	22– 8	21.3	16.8	1.41
MCA/Dec	MCA	n	57– 15	57– 38	47½	–5	78	35– 8	23.5	17.1	1.47
McDonald's/Dec	MCD	n	79– 18	79– 55	75¼	17	97	21– 9	20.3	17.6	2.31
McDonnell Douglas/Dec	MD	n	91– 40	91– 71	78½	–9	75	13– 6	11.4	8.2	0.25
McGraw-Hill/Dec	MHP	n	75– 23	75– 53	68½	19	98	23– 11	22.5	19.2	2.19
MCI Communications/Dec	MCIC	o	29– 5	13– 5	6½	45	45	35– 12	NM	27.0	0.54
McKesson/Mar	MCK	n	38– 15	38– 27	36½	26	104	17– 9	16.9	16.0	0.23
MCorp/Dec	M	n	35– 9	21– 9	9½	–48	43	8– 5	NM	31.7	0.19
Mead/Dec	MEA	n	73– 14	73– 45	68¾	38	114	56– 7	49.5	13.8	0.67
Medtronic/Apr	MDT	n	93– 25	93– 57	86⅞	48	122	25– 7	17.6	14.6	2.60
Mellon Bank/Dec	MEL	n	73– 28	73– 52	55⅛	–17	68	10– 4	8.9	7.4	0.44
Melville/Dec	MES	n	74– 22	74– 53	71	12	92	18– 9	16.1	13.8	0.73
Mercantile Bancorp/Dec	MTRC	o	37– 12	37– 28	33	1	82	11– 3	9.2	8.2	0.78
Mercantile Bkshs/Dec	MRBK	o	47– 8	47– 36	45½	16	96	16– 4	14.5	12.7	1.95
Mercantile Stores/Jan	MST	n	117– 23	117– 84	113–	24	102	16– 6	15.1	12.8	0.82
Merchants National/Dec	MCHN	o	41– 5	41– 24	29½	17	97	17– 4	12.0	10.6	1.09
Merck/Dec	MRK	n	162– 32	162– 77	139¾	98	163	33– 12	32.9	27.2	5.27
Meridian Bancorp/Dec	MRDN	o	28– 9*	28– 20	24½	5	87	12– 5*	9.9	9.5	0.89
Meritor Financial/Dec	MTOR	o	13– 7*	13– 8	9½	–23	64	NM– 3*	NM	8.5	0.19
Merrill Lynch/Dec	MER	n	57– 11	47– 32	45⅛	9	90	NM– 4	10.2	12.4	0.52
Fred Meyer/Jan	MEYR	o	NA–NA	16– 13*	16⅛	NA	NA	NA–NA	14.0	12.1	0.21
Michigan National/Dec	MNCO	o	44– 10	44– 33	41⅜	24	102	NM– 6	11.5	9.6	0.74
Microsoft/Jun	MSFT	o	91– 26*	91– 26	91⅛	223	267	43– 13*	43.0	36.6	9.13
Middle South Utils/Dec	MSU	n	17– 8	16– 12	14¼	18	97	8– 3	6.4	6.4	0.83
Midlantic/Dec	MIDL	o	52– 10	52– 40	49⅛	10	91	10– 3	8.9	10.0	1.01
Millipore/Dec	MILI	o	44– 7	44– 26	41⅛	41	116	40– 8	29.7	24.5	2.65
Minn Mining & Mfg/Dec	MMM	n	140– 49	140– 97	128⅛	23	101	19– 9	18.9	16.7	1.70
Minnesota Power/Dec	MPL	n	35– 9	35– 23	27⅞	15	95	13– 5	9.8	10.0	1.89
Mobil/Dec	MOB	n	49– 20	49– 28	47⅛	61	133	14– 6	13.8	13.9	0.44
Molex/Jun	MOLX	o	60– 12	60– 41	55⅛	21	100	36– 12	36.4	26.5	4.04
Monarch Capital/Dec	MON	n	91– 17	91– 60	89⅛	24	102	15– 6	10.1	15.7	0.43
Monfort of Colorado/Aug	MNFT	o	82– 5	82– 33	78	128	188	13– 2	13.2	15.3	0.20
Monsanto/Dec	MTC	n	87– 28	87– 57	77⅛	25	103	NM– 7	13.9	13.2	0.87
Montana Power/Dec	MTP	n	43– 17	43– 34	38⅛	12	92	14– 5	13.8	11.8	1.36
Moore Financial/Dec	MFGI	o	34– 15	34– 22	26½	20	66	10– 4	NM	9.2	0.52
JP Morgan/Dec	JPM	n	49– 11	49– 37	45⅛	19	98	10– 5	9.5	8.8	1.20
Morgan Stanley/Dec	MS	n	NA–NA	82– 61*	74⅞	NA	NA	NA–NA	8.9	9.8	0.76
Morrison-Knudsen/Dec	MRN	n	56– 16	56– 42	48½	3	85	14– 4	13.5	11.9	0.25
Morton Thiokol/Jun	MTI	n	50– 9	50– 32	47⅜	33	110	17– 7	17.1	16.5	1.17
Motorola/Dec	MOT	n	57– 17	57– 34	56⅛	25	103	73– 9	36.7	24.9	1.22
Murphy Oil/Dec	MUR	n	39– 16	34– 20	33	39	115	32– 4	NM	50.0	0.84
Nalco Chemical/Dec	NLC	n	37– 18	34– 24	34	17	97	24– 10	21.0	17.9	1.81
Nash Finch/Dec	NAFC	o	43– 14	43– 32	40½	20	99	15– 6	15.0	13.5	0.13
National Bcshs Texas/Dec	NBCT	o	26– 9	22– 9	9⅞	–52	40	15– 7	NM	26.0	0.39
National City/Dec	NCTY	o	35– 7	35– 26	33⅞	20	99	10– 4	9.8	8.8	1.05

*Range is for less than period indicated. NA not available or not applicable. NM not meaningful. E estimate. Stock prices as of Mar. 19, 1987.

net profit margin	Earnings: latest 12 months EPS	1986 EPS	estimated 1987 EPS	% change '87 vs '86 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout ratio	5-year growth rate
9.3%	$4.99	$4.99	$5.30	6%	14	high	$1.30	2.7%	26%	18%
14.0	1.56	1.56	1.84	18	18	average	0.36	0.9	23	16
3.7	2.44	2.44	2.95	21	24	high	1.14	2.4	47	16
6.8	2.70	2.70	3.43	27	14	average	1.78	3.1	66	13
6.4	2.02	2.02	2.78	38	17	average	0.68	1.4	34	5
11.6	3.73	3.73	4.31	16	27	very high	0.66	0.9	18	26
2.2	6.86	6.86	9.53	39	31	average	2.32	3.0	34	14
9.8	3.04	3.04	3.57	17	19	very high	1.68	2.5	55	13
NM	–1.57	–1.51	0.25	NM	28	very low	none	NA	NA	NA
1.4	2.17	1.96E	2.29	17	14	high	1.28	3.5	59	1
NM	–2.21	–2.21	0.30	NM	20	very low	none	NA	NA	NA
1.3	1.39	1.39	4.98	258	19	average	1.32	1.9	95	–2
14.9	4.93	5.18E	5.95	15	13	very high	0.88	1.0	18	6
5.3	6.20	6.20	7.52	21	26	average	2.76	5.0	45	10
4.5	4.40	4.40	5.15	17	16	high	1.76	2.5	40	1
8.4	3.57	3.57	4.01	12	9	high	1.40	4.2	39	4
13.4	3.12	3.12	3.57	14	8	average	1.08	2.4	35	12
5.5	7.54	7.54	8.87	18	7	high	1.50	1.3	20	15
8.9	2.45	2.45	2.78	13	4	very high	0.68	2.3	28	14
16.4	4.85	4.85	5.86	21	35	very high	2.20	1.4	45	4
9.4	2.48	2.48	2.58	4	11	very high	1.00	4.1	40	29
NM	–0.15	–0.15	1.12	NM	8	low	0.20	2.1	NM	NA
5.0	4.44	4.44	3.66	–18	14	average	0.80	1.8	18	3
1.4	1.15	1.15	1.33	16	3	very high	none	NA	NA	NA
6.2	3.59	3.59	4.30	20	9	average	1.20	2.9	33	0
22.2	2.12	1.56	2.49	60	19	average	none	NA	NA	NA
12.9	2.21	2.21	2.20	0	22	high	none	NA	NA	NA
11.4	5.58	5.58	4.95	–11	14	average	1.36	2.7	24	12
8.8	1.40	1.40	1.70	21	18	high	0.28	0.7	20	13
9.1	6.80	6.80	7.69	–36	24	very high	3.72	2.9	55	3
20.9	2.77	2.77	2.73	–1	13	average	1.66	6.1	60	8
3.1	3.45	3.45	3.44	0	39	low	2.20	4.6	64	3
11.1	1.53	1.59	2.10	32	10	average	0.03	0.1	2	17
5.1	8.86	8.86	5.70	–36	13	average	none	NA	NA	NA
1.6	5.90	5.84	5.10	–13	2	NM	0.90	1.2	15	NA
6.3	5.55	5.55	5.87	6	30	high	2.60	3.4	47	8
10.2	2.79	2.79	3.28	–10	20	average	2.68	6.9	96	–2
NM	–0.47	–0.47	2.88	NM	4	average	1.20	4.5	NM	6
13.1	4.74	4.74	5.10	8	30	high	1.36	3.0	29	10
8.2	8.42	8.42	7.62	–10	9	high	0.80	1.1	10	NA
1.9	3.60	3.60	4.09	14	9	average	1.48	3.1	41	4
6.9	2.77	2.80	2.87	2	19	very high	0.76	1.6	27	11
3.3	1.53	1.53	2.25	47	36	average	0.64	1.1	42	6
NM	–5.76	–5.76	0.66	NM	18	very low	1.00	3.0	NM	NA
8.7	1.62	1.62	1.90	17	19	high	1.20	3.5	74	4
0.9	2.70	2.70	3.00	11	2	NM	1.05	2.6	39	26
NM	–2.72	–2.72	0.37	NM	7	very low	0.08	0.8	NM	–1
10.2	3.44	3.44	3.84	12	17	high	1.20	3.5	35	6

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan from Lotus Information Services; Forbes.

The Forbes 500s on Wall Street

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high-low	Stock price 12-month high-low	Stock price recent	Stock performance latest 12 months price change	Stock performance latest 12 months relative to market	Stock price ratios price/earnings 5-year high-low	Stock price ratios price/earnings latest 12 months	Stock price ratios price/earnings 1987 est	Stock price ratios price/sales
Natl Community Bank/Dec	NCBR	o	142– 21	142– 96	138	43%	118	13– 5	12.7	10.7	1.73
National Distillers/Dec	DR	n	65– 19	65– 30	62½	54	127	37– 6	28.3	19.5	1.14
National Intergroup/Mar	NII	n	38– 13	28– 13	14⅛	–46	45	NM–NM	NM	25.7	0.09
National Medical/May	NME	n	33– 10	28– 21	27	14	94	25– 9	24.5	11.1	0.63
Natl Semiconductor/May	NSM	n	20– 4	17– 8	16⅛	14	94	NM– 13	NM	20.5	0.89
National Service/Aug	NSI	n	29– 6	29– 20	26¼	7	88	18– 6	17.3	16.6	1.00
Navistar Intl/Oct	NAV	n	15– 3	12– 4	7	–19	67	26– 11	NM	10.9	0.49
NBD Bancorp/Dec	NBD	n	38– 7	38– 27	35⅛	18	97	10– 3	9.1	9.3	0.87
NCNB/Dec	NCB	n	28– 6	28– 21	26⅛	7	88	11– 4	10.4	9.6	0.92
NCR/Dec	NCR	n	67– 10	67– 40	64½	52	125	19– 5	18.9	16.3	1.24
New England Electric/Dec	NES	n	35– 13	35– 24	28⅜	9	90	12– 5	8.9	8.9	1.09
NY State Elec & Gas/Dec	NGE	n	39– 15	39– 28	29½	–4	79	10– 4	7.6	8.4	1.25
New York Times/Dec	NYTA	a	48– 6	48– 28	46	45	120	28– 7	28.2	22.7	2.41
Newmont Mining/Dec	NEM	n	93– 28	93– 41	84⅞	67	138	NM– 13	34.2	25.3	6.78
Niagara Mohawk Power/Dec	NMK	n	26– 12	26– 16	16½	–25	62	9– 4	6.1	7.0	0.79
Nicor/Dec	GAS	n	35– 19	33– 24	32½	37	113	21– 8	8.0	11.5	0.53
Nordstrom/Jan	NOBE	o	58– 7	58– 29	57	93	159	34– 9	31.3	25.6	1.42
Norfolk Southern/Dec	NSC	n	33– 13*	33– 25	32½	6	87	13– 4*	11.7	12.3	1.51
Norstar Bancorp/Dec	NOR	n	36– 10	36– 25	34⅜	17	97	13– 4	12.1	11.0	1.24
North Amer Philips/Dec	NPH	n	48– 15	48– 35	39⅜	–10	74	20– 5	16.8	12.8	0.25
Northeast Bancorp/Dec	NBIC	o	62– 11	62– 41	60	42	117	14– 5	13.5	13.9	1.61
Northeast Savings FA/Mar	NESA	o	28– 6*	28– 15	24½	11	92	28– 2*	6.1	4.3	0.24
Northeast Utilities/Dec	NU	n	28– 10	28– 18	25½	25	103	10– 4	9.2	9.8	1.36
No Indiana Pub Svc/Dec	NI	n	16– 8	14– 10	11⅞	7	88	16– 6	NM	9.7	0.53
No States Power/Dec	NSP	n	40– 13	40– 30	34¼	13	93	13– 5	11.1	11.2	1.20
Northern Trust/Dec	NTRS	o	47– 11	47– 31	42½	37	113	19– 5	13.0	10.7	0.83
Northrop/Dec	NOC	n	57– 13	52– 37	50½	4	86	NM– 8	56.7	12.0	0.42
Northwestern Natl Life/Dec	NWNL	o	37– 9	34– 27	28⅛	1	83	29– 5	6.0	8.3	0.29
Norwest/Dec	NOB	n	43– 17	43– 34	39⅜	8	89	17– 4	10.9	9.4	0.50
NWA/Dec	NWA	n	76– 24	76– 42	68¼	41	116	NM– 8	20.9	12.6	0.45
Nynex/Dec	NYN	n	73– 29*	73– 56	68½	17	97	12– 7*	11.4	10.7	1.22
Occidental Petroleum/Dec	OXY	n	37– 17	34– 23	32⅞	28	106	50– 4	49.8	20.8	0.35
Ogden/Dec	OG	n	72– 18	72– 28	69	118	180	22– 5	11.2	25.8	1.66
Ohio Casualty/Dec	OCAS	o	47– 15	47– 37	46½	3	85	23– 6	10.2	10.5	0.74
Ohio Edison/Dec	OEC	n	23– 9	23– 17	21⅛	10	91	9– 4	8.6	8.9	1.82
Oklahoma Gas & Elec/Dec	OGE	n	39– 15	39– 28	34⅛	15	95	15– 5	12.4	12.0	1.42
Old Kent Financial/Dec	OKEN	o	27– 5	27– 21	25	5	87	10– 4	9.2	9.5	1.00
Old Republic Intl/Dec	OLDR	o	42– 12	42– 27	28⅜	–32	56	15– 4	7.0	6.4	0.36
Old Stone/Dec	OSTN	o	34– 13	34– 26	28	–18	68	13– 5	8.4	7.9	0.45
Olin/Dec	OLN	n	53– 16	53– 38	49½	24	102	16– 5	14.7	14.4	0.62
Owens-Corning/Dec†	OCF	n	83– 9	31– 9	26½	94	160	54– 6	54.1	11.9	0.29
Paccar/Dec	PCAR	o	60– 26	58– 41	56⅞	5	87	34– 6	18.8	13.7	0.57
Pacific First Finl/Dec	PFFS	o	27– 7	27– 14	25⅞	51	125	NM– 4	7.6	7.6	0.46
Pacific Gas & Elec/Dec	PCG	n	28– 11	28– 21	24⅛	10	91	11– 5	9.3	9.1	1.14
Pacific Lighting/Dec	PLT	n	58– 23	57– 45	56⅞	8	89	43– 6	42.4	13.5	0.63
Pacific Telesis/Dec	PAC	n	62– 26*	62– 44	54¼	20	99	12– 7*	10.8	20.1	1.30
PacifiCorp/Dec	PPW	n	39– 16	39– 31	35⅞	10	91	12– 5	10.4	10.0	1.18
PaineWebber Group/Sep	PWJ	n	49– 8	39– 25	37¼	14	94	62– 4	15.0	12.3	0.47

*Range is for less than period indicated. †Prices are as originally reported, adjusted for splits; stock performance includes value of special distributions. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 19, 1987.

net profit margin	Earnings: latest 12 months EPS	1986 EPS	estimated 1987 EPS	% change '87 vs '86 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout ratio	5-year growth rate
13.7%	$10.83	$10.83	$12.90	19%	1	NM	$3.15	2.3%	29%	8%
4.5	2.21	2.21	3.20	45	11	low	2.20	3.5	100	2
NM	–2.71	0.12E	0.55	58	5	very low	0.25	1.8	NM	–23
2.7	1.10	1.86E	2.44	31	23	average	0.60	2.2	55	17
NM	–0.74	–0.05E	0.80	NM	21	very low	none	NA	NA	NA
5.6	1.47	1.45	1.58	9	3	very high	0.64	2.4	44	10
NM	–0.24	–0.18	0.64	NM	17	very low	none	NA	NA	NA
9.0	3.87	3.87	3.80	–2	14	high	1.20	3.4	31	9
8.7	2.53	2.53	2.74	8	27	high	0.84	3.2	33	15
6.9	3.42	3.42	3.95	15	30	high	1.00	1.6	29	12
12.0	3.20	3.20	3.22	1	20	high	2.00	7.0	62	7
17.9	3.86	3.86	3.53	–9	16	average	2.64	8.9	68	5
8.4	1.63	1.63	2.03	25	19	high	0.36	0.8	22	16
19.8	2.48	2.48	3.35	35	20	low	1.00	1.2	40	–1
15.0	2.71	2.71	2.35	–13	18	low	2.08	12.6	77	7
6.9	4.04	4.04	2.82	–30	13	average	1.80	5.5	45	–5
4.5	1.82	1.82	2.23	23	27	average	0.36	0.6	20	15
12.7	2.74	2.74	2.65	–3	24	average	1.20	1.2	44	7
10.7	2.87	2.87	3.14	9	10	very high	1.40	4.0	49	6
1.5	2.36	2.36	3.10	31	2	NM	1.00	2.5	42	5
13.0	4.46	4.46	4.32	–3	2	NM	1.40	2.3	31	6
4.7	4.01	5.00E	5.75	15	1	NM	none	NA	NA	NA
14.8	2.78	2.78	2.61	–6	18	high	1.76	6.9	63	7
NM	–0.57	–0.57	1.22	NM	21	low	none	NA	NA	NA
11.6	3.09	3.09	3.07	–1	25	high	1.90	5.5	61	11
6.9	3.24	3.24	3.94	22	5	very high	0.92	2.2	28	0
0.7	0.89	0.89	4.21	373	25	low	1.20	2.4	135	26
4.4	4.71	4.71	3.43	–27	9	high	0.86	3.0	18	3
5.0	3.64	3.64	4.20	15	26	high	1.80	4.5	49	1
2.1	3.26	3.26	5.42	66	26	low	0.90	1.3	28	4
10.7	6.01	6.01	6.40	6	33	high	3.48	5.1	58	47
1.1	0.66	0.66	1.58	139	23	very low	2.50	7.6	379	0
15.0	6.15	6.15	2.67	–57	10	high	2.00	2.9	33	0
7.3	4.54	4.54	4.44	–2	18	average	1.68	3.6	37	6
23.6	2.47	2.47	2.37	–4	20	average	1.96	9.3	79	2
11.6	2.75	2.75	2.85	4	23	high	2.18	6.4	79	1
11.7	2.71	2.71	2.63	–3	6	average	0.80	3.2	30	14
6.8	4.11	4.11	4.49	9	3	low	0.78	2.7	19	4
6.9	3.32	3.32	3.56	7	4	very high	1.56	5.6	47	4
4.4	3.36	3.36	3.43	2	13	average	1.60	3.2	48	7
0.4	0.49	0.49	2.23	355	14	low	none	NA	NA	NA
3.0	3.02	3.02	4.15	37	10	low	1.70	3.0	56	17
6.0	3.41	3.41	3.39	–1	8	average	0.40	1.5	12	NA
13.8	2.60	2.60	2.64	2	25	high	1.92	8.0	74	7
1.6	1.34	1.34	4.21	214	22	average	3.48	6.1	260	10
12.0	5.02	5.02	2.69	–46	33	very high	3.04	5.6	61	50
12.1	3.45	3.45	3.58	4	27	high	2.40	6.7	70	–3
3.1	2.52	2.51	3.06	22	8	average	0.52	1.4	21	13

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus Information Services; Forbes.

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Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high-low	Stock price 12-month high-low	Stock price recent	Stock performance latest 12 months price change	Stock performance latest 12 months relative to market	Stock price ratios price/earnings 5-year high-low	Stock price ratios price/earnings latest 12 months	Stock price ratios price/earnings 1987 est	Stock price ratios price/sales
Pall/Jul	PLL	a	35– 9	35– 24	31¼	3%	85	33– 13	27.4	23.5	3.22
Pan Am/Dec	PN	n	10– 3	8– 4	4⅜	–47	44	35– 10	NM	NM	0.20
Panhandle Eastern/Dec†	PEL	n	50– 21	34– 24	32¼	70	140	15– 2	NM	14.4	0.76
Parker-Hannifin/Jun	PH	n	38– 10	38– 20	33⅛	12	92	32– 7	16.7	16.4	0.83
Payless Cashways/Nov	PCI	n	35– 8	27– 16	25½	24	102	31– 10	20.9	16.7	0.58
Penn Central/Dec	PC	n	63– 20	63– 53	55¼	3	85	53– 6	14.4	17.8	0.89
Pennbancorp/Dec	PNBA	o	38– 7	38– 25	32	–2	81	17– 5	14.0	12.6	1.34
JC Penney/Jan	JCP	n	101– 32	101– 66	99¼	51	125	15– 6	14.1	12.9	0.50
Pennsylvania P&L/Dec	PPL	n	43– 17	43– 31	39¼	23	101	15– 5	12.7	12.3	1.34
Pennzoil/Dec	PZL	n	91– 19	85– 48	80⅝	46	120	NM– 5	63.0	37.3	1.87
Peoples Energy/Sep	PGL	n	27– 7	27– 20	23⅛	11	92	11– 4	10.5	10.1	0.52
PepsiCo/Dec	PEP	n	36– 11	36– 25	34¼	24	102	23– 9	19.9	17.4	0.97
Perkin-Elmer/Jul	PKN	n	38– 17	36– 23	33¼	3	85	33– 11	24.6	22.2	1.16
Perpetual Savings/Oct	PASB	o	20– 4	20– 14	14½	–14	71	22– 8	11.1	9.9	0.44
Petrie Stores/Jan	PST	n	36– 10	36– 24	32⅞	16	96	21– 9	20.8	15.2	1.28
Pfizer/Dec	PFE	n	77– 25	77– 55	75	30	107	19– 10	19.2	17.1	2.76
PHH Group/Apr	PHH	n	47– 17	39– 29	38⅛	6	87	21– 8	17.8	14.9	0.68
Philadelphia Elec/Dec	PE	n	26– 9	26– 17	22⅞	18	97	9– 3	8.8	9.2	1.40
Philip Morris Cos/Dec	MO	n	91– 22	91– 55	85	41	116	14– 7	13.7	11.0	0.98
Phillips Petroleum/Dec	P	n	19– 8	16– 8	15⅛	48	122	17– 5	17.0	22.2	0.35
Piedmont Aviation/Dec	PIE	n	71– 18	71– 36	67⅜	70	140	27– 5	19.4	15.5	0.68
Pillsbury/May	PSY	n	45– 9	45– 33	42⅜	24	102	18– 6	17.8	13.8	0.64
Pitney Bowes/Dec	PBI	n	46– 6	46– 27	45⅛	60	132	21– 6	21.3	19.0	1.75
PNC Financial/Dec	PNCF	o	51– 11	51– 41	47⅛	7	88	12– 4	9.9	9.7	1.20
Polaroid/Dec	PRD	n	86– 17	86– 54	70	3	85	42– 14	21.0	17.2	1.33
Portland General/Dec	PGN	n	37– 12	37– 24	27¼	–1	82	18– 4	13.8	11.7	1.65
Potlatch/Dec	PCH	n	82– 19	82– 41	80½	92	158	44– 8	16.2	29.9	1.10
Potomac Electric/Dec	POM	n	59– 15	59– 38	47⅞	25	103	15– 6	11.6	11.3	1.65
PPG Industries/Dec	PPG	n	46– 7	46– 29	45⅞	45	120	17– 6	17.2	15.4	1.17
Premark Intl/Dec	PMI	n	NA–NA	26– 19*	24¼	NA	NA	NA–NA	NM	13.5	0.44
Price Co/Aug	PCLB	o	56– 3*	56– 28	49½	14	94	67– 16*	37.5	33.2	0.86
Primark/Dec	PMK	n	29– 8	29– 24	28¼	8	89	15– 4	10.3	9.6	0.36
Prime Motor Inns/Jun	PDQ	n	47– 4	47– 25	44⅞	21	100	34– 9	29.3	26.6	4.21
Procter & Gamble/Jun	PG	n	94– 39	94– 66	93⅜	24	102	21– 8	21.1	20.0	0.95
Progressive/Dec	PROG	o	39– 5	39– 27	30½	3	85	22– 9	13.2	11.0	1.25
Provident Life & Acc/Dec	PACC	o	33– 9	33– 23	26¼	–18	68	13– 5	6.7	9.7	0.49
Public Service Col/Dec	PSR	n	24– 15	22– 16	21⅛	0	83	16– 7	10.3	11.4	0.67
Public Service Ind/Dec	PIN	n	28– 7	19– 10	16¼	49	123	11– 2	9.7	8.6	0.83
Public Service NH/Dec	PNH	n	20– 4	11– 7	8½	–22	64	7– 1	NM	3.5	0.63
Public Service NM/Dec	PNM	n	39– 20	39– 31	37⅞	11	92	12– 6	11.5	11.1	2.24
Public Serv Enterprise Grp/Dec	PEG	n	48– 18	48– 35	40⅜	14	94	15– 5	14.1	NA	1.21
Puget Sound Bancorp/Dec	PSNB	o	29– 10	29– 18	28¾	14	94	12– 4	12.1	10.3	1.34
Puget Sound P&L/Dec	PSD	n	25– 9	25– 20	20¼	–2	81	14– 5	11.9	10.3	1.49
Quaker Oats/Jun	OAT	n	51– 9	51– 32	47	36	112	24– 8	15.6	19.4	0.94
Rainier Bancorp/Dec	RBAN	o	49– 9	49– 31	47	19	98	14– 4	13.8	12.5	1.19
Ralston Purina Sep	RAL	n	83– 12	83– 56	80⅛	29	106	23– 7	11.4	18.4	1.04
Raychem/Jun	RYC	n	140– 37	140– 66	102½	–23	64	31– 12	22.3	18.5	1.40

*Range is for less than period indicated. †Prices are as originally reported, adjusted for splits; stock performance includes value of special distributions. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 19, 1987.

net profit margin	Earnings: latest 12 months EPS	Earnings: 1986 EPS	Earnings: estimated 1987 EPS	Earnings: % change '87 vs '86 EPS	Earnings: number of analysts	Earnings: confidence factor on estimate	Dividends: indicated rate	Dividends: yield	Dividends: payout ratio	Dividends: 5-year growth rate
12.1%	$1.14	$1.13	$1.33	18%	17	very high	$0.34	1.1%	30%	10%
NM	–3.42	–3.42	–0.07	NM	15	very low	none	NA	NA	NA
NM	–11.06	–11.06	2.27	NM	23	average	2.00	6.1	NM	–1
4.9	2.01	1.98	2.05	4	17	high	0.80	2.4	40	11
2.8	1.22	1.22	1.53	25	19	high	0.16	0.6	13	10
6.5	3.85	3.85	3.10	–19	2	NM	0.05	0.1	1	NA
9.6	2.28	2.28	2.53	11	4	very high	0.88	2.7	39	17
3.6	7.06	7.06	7.68	9	29	high	2.48	2.5	35	3
13.7	3.10	3.10	3.18	3	19	high	2.68	6.8	86	3
3.8	1.28	1.28	2.16	69	26	low	2.20	2.7	172	0
5.3	2.21	2.27	2.29	1	12	average	1.44	6.2	65	8
4.9	1.75	1.75	2.00	14	29	very high	0.64	1.8	37	4
5.0	1.37	1.61	1.52	–6	27	average	0.60	1.8	44	6
4.9	1.31	1.27	1.47	16	3	high	none	NA	NA	NA
6.2	1.58	1.58	2.16	37	6	average	0.70	2.1	44	2
14.7	3.90	3.90	4.38	12	37	very high	1.80	2.4	46	14
3.8	2.14	2.25E	2.56	14	5	very high	1.04	2.7	49	7
18.3	2.60	2.60	2.50	–4	23	average	2.20	9.6	85	1
7.1	6.20	6.20	7.74	25	27	very high	3.00	3.5	48	19
2.3	0.89	0.89	0.68	–24	37	very low	0.60	4.0	67	2
3.9	3.48	3.48	4.35	25	23	average	0.32	0.5	9	9
3.7	2.39	2.37E	3.10	31	24	very high	1.00	2.3	42	12
8.4	2.12	2.12	2.38	12	13	high	0.76	1.7	36	10
12.1	4.76	4.76	4.87	2	22	average	1.52	3.2	32	17
6.4	3.34	3.34	4.07	22	21	average	1.20	1.7	36	0
11.9	1.97	1.97	2.32	18	15	average	1.96	7.2	99	3
7.2	4.98	4.98	2.69	–46	15	average	1.68	2.1	34	2
15.0	4.12	4.12	4.24	3	22	high	2.60	5.4	63	9
6.8	2.66	2.65	2.98	13	18	high	1.08	2.4	41	14
NM	–2.87	–2.87	1.84	NM	8	average	0.20	0.8	NM	NA
2.3	1.32	1.25	1.49	19	14	average	none	NA	NA	NA
3.5	2.73	2.73	2.93	7	12	high	1.30	4.6	48	15
14.3	1.53	1.35	1.69	25	8	average	0.08	0.2	5	9
4.6	4.44	4.20	4.68	11	20	high	2.70	2.9	61	–1
9.5	2.31	2.31	2.78	20	15	average	0.06	0.2	3	15
7.3	3.93	3.93	2.70	–31	12	average	0.84	3.2	21	8
7.5	2.06	2.06	1.86	–10	27	average	2.00	9.5	97	6
11.3	1.68	1.68	1.90	13	20	low	none	NA	NA	NA
NM	–6.44	–6.44	2.42	NM	7	average	none	NA	NA	NA
21.6	3.29	3.29	3.40	3	17	average	2.92	7.7	89	1
8.4	2.87	2.87	NA	NA	NA	NA	2.96	7.3	103	4
11.1	2.37	2.37	2.80	18	5	high	0.72	2.5	30	0
15.4	1.74	1.74	2.01	16	14	high	1.76	8.5	101	0
5.9	3.01	2.24	2.42	8	28	average	0.80	1.7	27	12
8.5	3.41	3.41	3.75	10	23	very high	1.16	2.5	34	10
9.4	7.08	5.37	4.37	–19	23	average	1.24	1.5	18	9
5.8	4.60	4.65	5.53	19	12	high	0.44	0.4	10	0

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro Scan from Lotus Information Services; Forbes.

The Forbes 500s on Wall Street

Company/fiscal year–end	Ticker symbol	Exch	Stock price 5-year high–low	Stock price 12-month high–low	Stock price recent	Stock performance —latest 12 months— price change	Stock performance —latest 12 months— relative to market	Stock price ratios price/earnings 5–year high–low	Stock price ratios price/earnings latest 12 months	Stock price ratios price/earnings 1987 est	Stock price ratios price/sales
Raytheon/Dec	RTN	n	80– 28	80– 57	79¾	27%	105	17– 8	15.6	13.3	0.81
Reebok International/Dec	RBK	n	44– 7*	44– 12	40¾	191	240	20– 6*	16.0	13.2	2.34
Reliance Group/Dec	REL	n	NA–NA	11– 8*	9⅝	NA	NA	NA–NA	8.4	13.8	0.23
Republic New York/Dec	RNB	n	58– 15	58– 38	53⅜	34	111	11– 4	10.9	10.2	1.06
RepublicBank/Dec	RPT	n	38– 18	32– 18	22⅜	–27	60	16– 4	13.6	12.0	0.32
Revlon Group/Dec	REV	n	20– 3	20– 10	19⅝	33	110	41– 8	NM	18.2	0.51
Reynolds Metals/Dec	RLM	n	65– 19	65– 39	64½	26	104	NM– 5	15.8	15.6	0.39
Riggs National/Dec	RIGS	o	42– 9	42– 28	33¼	–4	79	14– 5	12.5	11.0	1.04
Rite Aid/Feb	RAD	n	40– 9	40– 27	37¼	21	100	21– 9	20.8	16.5	0.90
RJR Nabisco/Dec	RJR	n	66– 15	66– 37	58¼	41	116	15– 5	15.2	11.7	0.91
Roadway Services/Dec	ROAD	o	46– 16	46– 31	34¾	–14	71	24– 9	18.2	15.6	0.81
AH Robins/Dec	RAH	n	29– 6	25– 8	19⅜	48	122	13– 2	5.7	5.8	0.59
Rochester Community/Nov	RCSB	o	NA–NA	16– 10*	15½	NA	NA	NA–NA	NA	7.0	0.72
Rochester Gas & Elec/Dec	RGS	n	30– 12	30– 21	23	–12	73	9– 3	6.9	7.1	0.90
Rockwell Intl/Sep	ROK	n	29– 6	29– 19	28¼	26	104	26– 6	26.1	22.7	1.28
Rohm & Haas/Dec	ROH	n	44– 8	44– 29	42⅛	21	100	21– 7	21.1	16.1	1.41
Rorer Group/Dec	ROR	n	48– 17	48– 36	44⅛	15	95	26– 4	7.6	18.6	1.14
Rouse/Dec	ROUS	o	35– 7	35– 27	34¼	14	94	NM– 12	66.8	55.2	3.19
Rubbermaid/Dec	RBD	n	29– 4	29– 18	26¼	40	116	32– 11	27.9	24.1	2.47
Ryder System/Dec	RDR	n	41– 8	41– 25	39	40	116	19– 7	18.7	16.7	0.80
Safeco/Dec	SAFC	o	64– 15	64– 51	59¾	1	83	16– 5	8.8	9.7	0.84
St Paul Cos/Dec	STPL	o	55– 18	55– 36	48¼	–10	74	NM– 4	14.0	9.2	0.70
Salomon/Dec	SB	n	59– 10	59– 37	41½	–25	62	26– 5	12.0	10.5	0.93
San Diego Gas & Elec/Dec	SDO	n	43– 13	43– 31	35⅝	14	94	12– 5	10.4	10.8	1.22
Santa Fe Southern/Dec	SFX	n	40– 20*	40– 26	36	–8	76	22– 5*	NM	14.9	1.00
Sara Lee/Jun	SLE	n	45– 8	45– 28	44⅛	46	120	20– 6	20.2	19.2	0.56
Scana/Dec	SCG	n	43– 15	43– 31	35⅛	9	90	15– 6	11.6	11.5	1.28
Schering-Plough/Dec	SGP	n	99– 27	99– 63	98½	56	129	24– 8	22.7	19.1	2.40
Scott Paper/Dec	SPP	n	82– 14	82– 53	79¼	33	110	16– 5	16.1	13.6	0.84
Seagate Technology/Jun	SGAT	o	42– 4	42– 9	34¼	243	283	NM– 8	18.9	13.4	2.33
Sears, Roebuck/Dec	S	n	54– 17	54– 39	51½	9	90	18– 7	14.2	11.8	0.44
Security Pacific/Dec	SPC	n	43– 10	43– 32	38⅛	1	83	9– 3	7.8	7.3	0.49
Service Corp Intl/Apr	SRV	n	32– 3	32– 19	30¼	44	119	26– 7	25.2	20.2	4.10
Service Merchandise/Dec	SMCH	o	27– 6	15– 6	6⅞	–51	40	45– 7	NM	9.2	0.09
Shared Medical Sys/Dec	SMED	o	53– 13	53– 30	35⅞	–6	78	44– 16	28.5	16.1	2.41
Shawmut/Dec	SHAS	o	56– 16	56– 45	51⅛	4	86	11– 4	10.1	8.9	0.90
Sherwin-Williams/Dec	SHW	n	36– 5	36– 23	35¼	25	103	19– 6	15.3	18.0	1.00
Shoney's/Oct	SHON	o	31– 6	31– 23	29½	16	96	30– 13	24.8	21.5	1.66
Signet Banking/Dec	SBK	n	39– 7	39– 30	36⅜	6	87	12– 4	10.4	9.4	1.01
Singer/Dec†	SMF	n	56– 10	56– 37	47	5	87	NM– 7	5.7	12.8	0.57
SmithKline Beckman/Dec	SKB	n	115– 50	115– 78	108¾	23	101	16– 8	16.0	13.4	1.85
Snap-on Tools/Dec	SNA	n	38– 9	38– 23	36⅜	45	120	23– 9	22.9	18.8	2.24
Society/Dec	SOCI	o	36– 7	36– 28	34	6	87	11– 4	9.9	8.9	0.85
Society for Savings/Dec	SOCS	o	26– 4*	26– 17	22¾	24	102	26– 5*	15.3	7.3	0.77
Sonat/Dec	SNT	n	43– 20	36– 21	33½	11	92	NM– 4	NM	18.9	0.80
South Carolina Natl/Dec	SCNC	o	28– 6	28– 20	25⅛	10	91	16– 6	12.3	11.2	1.16
Southeast Banking/Dec	STB	n	31– 9	31– 25	29⅞	11	92	12– 5	10.0	9.2	0.77
So Calif Edison/Dec	SCE	n	39– 15	39– 28	33¾	13	93	12– 5	10.3	10.3	1.38

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net profit margin	Earnings: latest 12 months EPS	Earnings: 1986 EPS	Earnings: estimated 1987 EPS	Earnings: % change '87 vs '86 EPS	Earnings: number of analysts	Earnings: confidence factor on estimate	Dividends: indicated rate	Dividends: yield	Dividends: payout ratio	Dividends: 5-year growth rate
5.4%	$5.10	$5.10	$5.98	17%	33	high	$1.80	2.3%	35%	8%
14.4	2.55	2.55	3.08	21	12	high	0.40	1.0	16	NA
3.3	1.14	1.14	0.70	–39	1	NM	0.16	1.7	14	0
10.6	4.91	4.91	5.28	8	9	average	1.16	2.2	24	4
2.9	1.65	1.65	1.87	13	25	low	1.00	4.5	61	0
0.5	–0.46	–0.46	1.08	NM	2	NM	none	NA	NA	NA
2.8	4.08	4.08	4.14	1	22	low	1.00	1.6	25	–7
8.0	2.65	2.65	3.01	14	5	high	1.10	3.3	42	7
4.3	1.79	1.88E	2.26	20	17	very high	0.66	1.8	37	27
6.7	3.83	3.83	4.96	30	32	high	1.60	2.7	42	7
4.5	1.91	1.91	2.23	17	20	average	1.10	3.2	58	13
10.4	3.38	3.38	3.35	–1	7	average	none	NA	NA	NA
4.2	NA	NA	2.22	NA	3	high	none	NA	NA	NA
14.0	3.33	3.33	3.24	–3	6	average	2.20	9.6	66	9
5.1	2.16	2.06	2.48	20	25	average	0.33	1.2	31	12
6.7	2.01	2.01	2.63	31	23	average	0.80	1.9	40	16
14.9	5.78	5.78	2.37	–59	15	average	1.16	2.6	20	3
5.6	0.52	0.52	0.63	21	2	NM	0.70	2.0	135	3
8.8	0.96	0.96	1.11	16	14	very high	0.28	1.0	29	14
4.3	2.09	2.09	2.33	11	16	very high	0.52	1.3	25	8
9.5	6.79	6.79	6.15	–9	30	high	1.70	2.8	25	14
5.0	3.45	3.45	5.22	51	26	average	1.76	3.6	51	6
7.6	3.45	3.45	3.97	15	15	low	0.64	1.5	19	6
13.0	3.42	3.42	3.29	–4	22	high	2.50	7.0	73	7
NM	–0.84	–0.84	2.42	NM	21	low	1.00	2.8	NM	5
2.9	2.19	2.02	2.30	14	29	very high	1.00	2.3	46	11
11.1	3.03	3.03	3.05	1	19	high	2.32	6.6	77	4
11.1	4.34	4.34	5.17	19	33	very high	1.80	1.8	41	1
5.4	4.96	4.96	5.88	19	21	high	1.36	1.7	27	7
12.8	1.84	0.72	2.60	261	20	low	none	NA	NA	NA
3.1	3.62	3.62	4.35	20	29	high	2.00	3.9	55	7
6.5	4.86	4.86	5.20	7	31	high	1.48	3.9	30	9
14.8	1.20	1.26E	1.50	19	6	high	0.32	1.1	27	28
NM	–1.41	–1.41	0.75	NM	12	very low	0.08	1.2	NM	2
8.5	1.26	1.26	2.23	77	19	average	0.72	2.0	57	31
8.6	5.07	5.07	5.72	13	7	very high	2.04	4.0	40	13
6.8	2.31	2.31	1.96	–15	13	average	0.56	1.6	24	20
6.7	1.19	1.15	1.37	19	24	high	0.16	0.5	13	15
9.5	3.53	3.53	3.90	10	14	high	1.24	3.4	35	22
10.0	8.27	8.27	3.68	–56	17	low	0.40	0.9	5	54
13.9	6.78	6.78	8.14	20	35	high	3.00	2.8	44	5
9.8	1.59	1.59	1.93	21	14	average	0.64	1.8	40	12
9.4	3.43	3.43	3.83	12	10	very high	1.20	3.5	35	13
5.1	1.49	1.49	3.10	108	1	NM	0.28	1.2	19	NM
NM	–7.52	–7.52	1.77	NM	25	low	2.00	6.0	NM	14
9.4	2.05	2.05	2.24	9	7	very high	0.50	2.0	24	3
8.1	3.00	3.00	3.25	8	16	very high	0.88	2.9	29	8
14.5	3.28	3.28	3.28	0	27	high	2.28	6.8	70	10

Sources: William O'Neil & Co., The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro Scan from Lotus Information Services, Forbes.

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Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high-low	Stock price 12-month high-low	Stock price recent	Stock performance latest 12 months price change	Stock performance latest 12 months relative to market	Stock price ratios price/earnings 5-year high-low	Stock price ratios price/earnings latest 12 months	Stock price ratios price/earnings 1987 est	Stock price ratios price/sales
Southern Company/Dec	SO	n	29– 12	29– 21	26⅜	13%	93	9– 5	8.3	8.3	1.10
So N England Telecom/Dec	SNG	n	62– 21	62– 47	56¼	19	98	15– 6	12.7	11.7	1.21
Southland/Dec	SLC	n	61– 19	61– 44	53⅛	12	92	25– 7	13.4	13.2	0.31
Southmark/Jun	SM	n	14– 3	14– 8	10¾	–4	79	13– 3	13.3	6.3	0.72
SouthTrust/Dec	SOTR	o	26– 4	26– 20	24	14	94	12– 3	10.6	9.5	1.29
Southwestern Bell/Dec	SBC	n	123– 55*	123– 88	116¼	27	105	11– 6*	11.3	11.0	1.47
Southwestern Pub Svc/Aug	SPS	n	38– 13	38– 29	28⅞	0	83	16– 7	13.4	11.7	1.49
Sovran Financial/Dec	SOVN	o	45– 11	45– 33	41⅛	16	96	14– 4	11.8	10.6	1.16
Springs Industries/Dec	SMI	n	61– 20	61– 41	58	27	105	31– 5	15.8	13.8	0.34
Square D/Dec	SQD	n	56– 22	56– 39	50	3	85	19– 7	14.6	13.0	1.03
Squibb/Dec	SQB	n	168– 28	168– 86	160¾	76	145	25– 11	18.6	25.5	4.66
Staley Continental/Sep	STA	n	35– 15	35– 23	26	–6	78	NM– 6	26.3	13.8	0.25
Standard Oil/Dec	SRD	n	66– 27	66– 40	64¼	37	113	54– 3	NM	19.0	1.64
Stanley Works/Dec	SWK	n	34– 9	34– 23	33¾	18	97	19– 8	18.1	15.7	1.05
State Street Boston/Dec	STBK	o	33– 4	33– 19	32⅞	32	109	17– 4	16.7	14.6	1.80
Sterling Drug/Dec	STY	n	55– 20	55– 42	54½	24	102	24– 9	18.7	16.8	1.61
JP Stevens/Oct	STN	n	46– 12	46– 30	43⅛	21	100	25– 8	13.8	11.9	0.45
Stone Container/Dec	STO	n	92– 13	92– 41	87⅜	86	153	NM– 8	44.9	16.7	0.69
Stop & Shop Cos/Jan	SHP	n	63– 8	62– 40	59	39	115	28– 3	21.3	14.5	0.21
Student Loan/Dec	SLM	n	81– 21*	81– 43	75⅛	65	136	24– 11*	24.4	18.8	2.08
Subaru Of America/Oct	SBRU	o	39– 4	39– 17	20⅛	– 20	66	22– 5	10.3	10.2	0.49
Sumitomo Bank Cal/Dec	SUMI	o	31– 9	31– 20	26½	20	99	13– 6	12.1	11.0	0.61
Sun Company/Dec	SUN	n	64– 27	64– 44	63	26	104	24– 4	17.8	20.1	0.72
Sundstrand/Dec	SNS	n	64– 23	64– 49	61	–2	81	25– 5	25.2	13.5	0.80
SunTrust Banks/Dec	STI	n	27– 16*	27– 20	25¼	18	97	15– 9*	13.8	11.2	1.35
Sunwest Financial/Dec	SFSI	o	39– 8	39– 27	32½	13	93	12– 4	11.2	10.2	1.22
Super Food Services/Aug	SFS	a	29– 3	29– 19	28⅛	19	98	19– 6	18.5	16.6	0.13
Super Valu Stores/Feb	SVU	n	29– 8	29– 20	28⅞	21	100	27– 9	27.0	16.8	0.25
Supermarkets General/Jan	SGL	n	43– 5	43– 23	42⅛	49	123	27– 5	26.5	20.5	0.30
Sysco/Jun	SYY	n	39– 9	39– 25	34⅞	21	100	25– 11	25.3	23.7	0.45
Taft Broadcasting/Mar	TFB	n	157– 28	157– 90	154¼	68	139	NM– 8	NM	64.2	2.78
Talman Home Fedl S&L/Dec	TLMN	o	NA–NA	14– 9*	12¼	NA	NA	NA–NA	NM	NA	0.20
Tambrands/Dec	TMB	n	69– 16	69– 48	64	26	104	21– 8	20.5	18.0	2.92
Tandem Computers/Sep	TNDM	o	74– 13	74– 22	73¼	197	245	57– 13	42.1	32.3	3.88
Tandy/Jun	TAN	n	64– 22	56– 30	51⅜	20	99	24– 9	21.4	17.4	1.40
TCF Banking & Saving/Dec	TCFC	o	NA–NA	18– 11*	17⅜	NA	NA	NA–NA	6.4	5.5	0.20
TECO Energy/Dec	TE	n	55– 18	55– 39	44	14	94	16– 7	12.8	11.9	1.38
Tektronix/May	TEK	n	43– 17	43– 27	38½	27	105	38– 8	26.9	15.5	1.09
Tele-Communications/Dec	TCOMA	o	33– 3	33– 21	31½	32	109	NM– 18	34.2	NM	4.77
Teledyne/Dec†	TDY	n	368– 70	368– 291	334	0	83	19– 4	16.4	14.6	0.86
Telerate/Sep	TLR	n	41– 13*	41– 17	36¼	82	150	52– 17*	37.4	28.3	6.97
Telex/Mar	TC	n	102– 7	102– 52	88⅞	41	116	19– 6	18.0	13.4	1.62
Temple-Inland/Dec	TIN	n	64– 20*	64– 36	63¾	49	123	24– 7*	24.2	16.1	1.87
Tenneco/Dec	TGT	n	51– 23	51– 35	48⅞	29	106	60– 4	NM	24.1	0.49
Tesoro Petroleum/Sep	TSO	n	24– 8	15– 8	12⅛	–2	81	43– 5	NM	23.3	0.13
Texaco/Dec	TX	n	48– 26	40– 28	35⅜	20	99	37– 4	11.8	11.6	0.27
Texas Air/Dec	TEX	a	52– 4	52– 25	40¾	46	120	63– 3	62.7	10.0	0.35
Texas American Bcshs/Dec	TXA	n	46– 12	26– 12	13	–47	44	13– 5	NM	NM	0.23

*Range is for less than period indicated. †Prices are as originally reported, adjusted for splits; stock performance includes value of special distributions. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 19, 1987.

net profit margin	Earnings: latest 12 months EPS	Earnings: 1986 EPS	Earnings: estimated 1987 EPS	Earnings: % change '87 vs '86 EPS	Earnings: number of analysts	Earnings: confidence factor on estimate	Dividends: indicated rate	Dividends: yield	Dividends: payout ratio	Dividends: 5-year growth rate
12.9%	$3.17	$3.17	$3.19	1%	26	high	$2.14	8.1%	68%	6%
9.7	4.46	4.46	4.83	8	17	very high	2.88	5.1	65	4
2.4	3.96	3.96	4.04	2	15	low	1.12	2.1	28	12
10.2	0.81	1.55	1.70	10	4	average	0.24	2.2	30	66
11.8	2.26	2.26	2.53	12	6	very high	0.80	3.3	35	12
12.9	10.26	10.26	10.59	3	30	very high	6.40	5.5	62	31
12.3	2.16	2.27	2.47	9	15	average	2.12	7.3	98	8
9.9	3.48	3.48	3.89	12	23	very high	1.36	3.3	39	6
2.2	3.66	3.66	4.19	14	9	average	1.52	2.6	42	5
7.0	3.42	3.42	3.84	12	16	average	1.84	3.7	54	0
26.0	8.63	8.63	6.31	–27	36	very high	2.40	1.5	28	13
1.0	0.99	0.88	1.89	115	15	average	0.80	3.1	81	6
NM	–1.32	–1.32	3.39	NM	33	low	2.80	4.4	NM	3
5.7	1.86	1.86	2.15	16	15	high	0.76	2.3	41	11
11.2	1.97	1.97	2.25	14	11	high	0.40	1.2	20	17
8.6	2.91	2.91	3.24	11	33	very high	1.32	2.4	45	5
3.4	3.13	3.01	3.61	20	11	high	1.20	2.8	38	–2
1.7	1.95	1.95	5.26	170	15	low	0.80	0.9	41	0
1.0	2.77	2.77	4.07	47	13	low	1.10	1.9	40	20
10.5	3.08	3.08	3.99	30	10	average	0.36	0.5	12	81
4.7	1.95	1.92	1.97	3	10	average	0.38	1.9	19	38
4.9	2.19	2.19	2.40	10	1	NM	1.16	4.4	53	–4
4.1	3.54	3.54	3.13	–12	30	low	3.00	4.8	85	6
3.2	2.42	2.42	4.53	87	14	very high	1.80	3.0	74	0
10.0	1.86	1.86	2.30	24	28	high	0.64	2.5	34	10
10.8	2.91	2.91	3.18	9	5	average	1.00	3.1	34	25
0.7	1.53	1.48	1.71	16	7	very high	0.32	1.1	21	17
0.9	1.07	1.28E	1.72	34	17	very high	0.42	1.5	39	11
1.1	1.60	1.60	2.07	29	9	high	0.28	0.7	17	14
1.8	1.38	1.34	1.47	10	18	high	0.28	0.8	20	14
NM	–6.49	1.48E	2.41	63	10	low	1.16	0.7	NM	5
5.1	NA	NA	NA	NA	NA	NA	none	NA	NA	NA
14.2	3.12	3.12	3.56	14	13	very high	1.80	2.8	58	7
9.5	1.74	1.44	2.27	58	29	average	none	NA	NA	NA
6.5	2.41	2.22	2.96	33	26	average	0.50	1.0	21	NA
3.2	2.76	2.76	3.19	16	3	low	none	NA	NA	NA
10.8	3.45	3.45	3.71	8	19	high	2.52	5.7	73	8
4.1	1.42	1.92E	2.46	28	16	low	0.60	1.6	42	4
14.7	0.92	0.25E	0.39	56	11	very low	none	NA	NA	NA
4.9	20.35	20.35	22.86	31	7	average	4.00	1.2	20	NA
18.6	0.97	0.87	1.28	47	8	average	0.48	1.3	49	70
9.1	4.94	5.40E	6.65	23	9	average	none	NA	NA	NA
6.2	2.64	2.64	3.96	50	13	average	0.58	0.9	22	54
NM	–0.40	–0.40	2.03	NM	28	very low	3.04	6.2	NM	4
NM	–9.51	–9.76	0.52	NM	2	NM	none	NA	NA	NA
2.3	3.01	3.01	3.05	1	34	low	3.00	8.5	100	0
1.0	0.65	0.65	4.08	NM	12	low	none	NA	NA	NA
NM	–10.51	–10.51	–0.41	NM	11	very low	none	NA	NA	NA

Sources: William O'Neil & Co., The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus Information Services; Forbes.

The Forbes 500s on Wall Street

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high-low	Stock price 12-month high-low	Stock price recent	Stock performance latest 12 months price change	Stock performance latest 12 months relative to market	Stock price ratios price/earnings 5-year high-low	Stock price ratios price/earnings latest 12 months	Stock price ratios price/earnings 1987 est	Stock price ratios price/sales
Texas Commerce Bcshs/Dec	TCB	n	48– 17	31– 17	30	44%	119	NM– 5	49.2	20.3	0.63
Texas Eastern/Dec	TET	n	41– 19	38– 24	36⅞	17	97	NM– 6	NM	18.0	0.48
Texas Instruments/Dec	TXN	n	176– 75	172–103	172	35	111	NM– 8	NM	23.4	0.88
Texas Utilities/Dec	TXU	n	38– 21	38– 30	33¼	0	83	9– 5	7.5	7.3	1.21
Textron/Dec	TXT	n	70– 17	70– 50	66⅜	9	90	17– 6	11.2	10.4	0.38
Time Inc/Dec	TL	n	92– 20	92– 67	90¼	27	105	28– 8	15.1	22.9	1.44
Times Mirror/Dec	TMC	n	88– 18	88– 55	85⅛	45	120	19– 9	13.6	21.0	1.89
Torchmark/Dec	TMK	n	39– 5	39– 26	31⅛	–3	80	16– 6	11.6	10.6	1.33
Toys "R" Us/Jan	TOY	n	40– 6	40– 25	38⅛	47	121	40– 15	39.6	24.0	1.95
Trans World Airlines/Dec	TWA	n	32– 7*	32– 13	28⅞	58	130	NM– 8*	NM	12.1	0.28
Transamerica/Dec	TA	n	40– 17	40– 32	34¼	–7	77	22– 6	9.7	10.0	0.42
Transco Energy/Dec	E	n	64– 21	60– 35	47	–15	70	NM– 4	NM	21.0	0.33
Travelers/Dec	TIC	n	60– 17	60– 43	50⅞	–14	71	20– 4	10.0	9.1	0.32
Triangle Industries/Dec	TRI	n	40– 3	40– 20	34⅛	66	137	18– 4	13.4	10.4	0.30
Tribune/Dec	TRB	n	79– 24*	79– 57	75¼	18	97	19– 7*	10.4	19.0	1.48
Trinova/Dec	TNV	n	66– 13	66– 42	64⅞	29	106	32– 6	9.3	15.1	0.68
Trustcorp/Dec	TTCO	o	42– 10	42– 29	33½	–6	78	14– 5	13.1	11.4	0.91
TRW/Dec	TRW	n	112– 46	112– 84	101⅛	2	84	36– 8	14.0	12.6	0.50
Tucson Electric/Dec	TEP	n	65– 16	65– 49	56⅞	14	94	14– 4	12.2	11.8	3.27
Turner Corp/Dec	TUR	a	31– 10	31– 20	27⅛	–9	75	15– 4	11.3	8.0	0.04
TW Services/Dec	TW	n	NA–NA	18– 14*	17¼	NA	NA	NA–NA	63.9	15.7	0.44
Tyson Foods/Sep	TYSNA	o	38– 1	38– 20	33¾	62	134	39– 5	39.2	23.6	1.32
UAL/Dec	UAL	n	65– 16	65– 49	59	6	87	73– 4	NM	11.8	0.32
Union Camp/Dec	UCC	n	70– 21	70– 43	67½	37	113	29– 7	25.5	16.2	1.62
Union Carbide/Dec	UK	n	33– 11	29– 19	28⅞	51	125	37– 2	4.3	12.6	0.58
Union Electric/Dec	UEP	n	32– 11	32– 23	29	20	99	11– 4	10.0	10.1	1.64
Union National/Dec	UNBC	o	47– 11	47– 31	34½	–4	79	17– 5	12.7	12.0	1.18
Union Pacific/Dec	UNP	n	79– 29	79– 50	78	41	116	24– 8	NM	15.6	1.25
Unisys/Dec	UIS	n	113– 30	113– 58	105⅞	64	135	25– 6	NM	13.4	0.66
United Banks of Col/Dec	UBKS	o	36– 13	36– 21	25	–27	60	15– 5	12.8	10.9	0.54
United Brands/Dec	UB	n	50– 7	50– 23	46¾	99	164	19– 5	13.8	13.8	0.22
United Financial/Dec	UFGI	o	13– 2	6– 2	3½	–40	50	NM– 1	NM	NA	0.04
United Illuminating/Dec	UIL	n	36– 9	36– 27	30½	–4	79	6– 2	5.1	5.4	0.90
United Jersey Banks/Dec	UJB	n	32– 5	32– 22	29⅞	14	94	16– 4	13.8	11.8	1.37
United Missouri Bcsh/Dec	UMSB	o	32– 10	31– 25	26½	–12	73	13– 4	10.3	9.4	1.18
US Bancorp/Dec	USBC	o	30– 8	30– 22	29	13	93	12– 4	11.3	10.0	1.05
US Healthcare/Dec	USHC	o	23– 3	23– 10	12¾	–23	64	74– 8	8.6	13.9	1.26
US Shoe/Jan	USR	n	28– 6	28– 20	27⅛	6	87	48– 5	47.6	16.1	0.60
US Tobacco/Dec	UBO	n	28– 7	28– 16	26½	48	122	17– 8	14.5	12.0	2.89
US Trust/Dec	USTC	o	45– 10	45– 31	40½	13	93	16– 6	13.5	12.3	1.28
United Technologies/Dec	UTX	n	56– 16	55– 39	52⅞	–1	82	NM– 5	NM	12.0	0.44
United Telecom/Dec	UT	n	32– 16	32– 25	29⅞	2	84	NM– 7	16.5	15.8	0.96
United Virginia Bksh/Dec	UVBK	o	36– 8	36– 26	35	26	104	13– 5	12.0	10.8	1.09
Universal Leaf Tob/Jun	UVV	n	33– 12	33– 26	32½	15	95	11– 6	11.2	10.9	0.32
Unocal/Dec	UCL	n	49– 16	36– 16	35	55	128	23– 4	23.2	20.8	0.54
UNUM/Dec	UNM	n	NA–NA	31– 25*	24⅞	NA	NA	NA–NA	8.9	8.9	0.59
Upjohn/Dec	UPJ	n	50– 6	50– 25	42⅛	63	134	32– 7	31.5	26.7	3.49
US West/Dec	USW	n	62– 28*	62– 47	55⅜	15	95	12– 6*	11.4	10.1	1.27

*Range is for less than period indicated. ‡Does not include dividends in stock of another company. **Includes $4.47 per share from sale of assets. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 19, 1987.

net profit margin	latest 12 months EPS	1986 EPS	estimated 1987 EPS	% change '87 vs '86 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
	Earnings						Dividends			
1.3%	$0.61	$0.61E	$1.48	143%	21	very low	$0.78	2.6%	128%	7%
0.0	0.02	0.02	2.05	NM	27	low	1.00	2.7	NM	7
0.8	1.14	1.14	7.35	NM	32	low	2.00	1.2	175	2
15.9	4.45	4.45	4.56	2	23	high	2.80	8.4	63	7
3.5	5.95	5.95	6.40	8	12	very high	2.00	3.0	34	0
10.0	5.95	5.95	3.94	–34	26	average	1.00	1.1	17	0
14.0	6.31	6.31	4.08	–35	23	high	1.64	1.9	26	12
13.2	2.73	2.73	2.99	10	22	very high	1.00	3.2	37	17
6.2	1.17	1.17E	1.60	37	24	high	none	NA	NA	NA
NM	–3.87	–3.87	2.39	NM	16	very low	none	NA	NA	NA
4.4	3.57	3.57	3.47	–3	16	very high	1.76	5.1	49	6
NM	–0.92	–0.92	2.24	NM	28	very low	2.72‡	6.8	NM	9
3.1	5.09	5.09	5.57	9	29	average	2.28	4.5	45	9
1.8	2.57	2.57	3.31	29	7	average	0.12	0.3	5	3
14.4	7.26	7.26**	3.99	–45	18	very high	1.20	1.6	17	48
8.5	6.96	6.96	4.30	–38	10	high	1.00	1.5	14	4
7.8	2.55	2.55	2.94	15	2	low	1.28	3.8	50	–3
3.6	7.25	7.25	8.06	11	21	high	3.20	3.1	44	5
27.6	4.65	4.65	4.83	4	15	high	3.60	6.3	77	15
0.4	2.41	2.41	3.40	41	1	NM	1.30	4.8	54	9
0.8	0.27	0.27	1.10	307	2	NM	0.10	0.6	37	NA
3.4	0.86	0.79	1.43	81	7	average	0.06	0.2	7	25
0.1	0.25	0.25	4.98	NM	23	low	1.00	1.7	400	NA
6.4	2.65	2.65	4.17	57	21	average	1.64	2.4	62	3
11.0	6.74	6.74	2.29	–66	25	low	1.50	5.2	22	6
19.0	2.89	2.89	2.86	–1	17	high	1.92	6.6	66	4
9.3	2.74	2.74	2.90	6	2	NM	1.32	3.8	48	10
NM	–4.56	–4.56	5.01	NM	23	average	2.00	2.6	NM	1
NM	–1.63	–1.63	7.90	NM	26	average	2.60	2.5	NM	2
4.7	1.95	1.95	2.29	17	9	low	1.08	4.3	55	3
1.6	3.38	3.38	3.40	1	1	NM	0.05	0.1	1	NA
NM	–4.97	–4.97	NA	NA	NA	NA	none	NA	NA	NA
21.6	5.97	5.97	5.60	–6	3	average	2.32	7.6	39	–9
10.1	2.17	2.17	2.53	17	7	high	0.86	2.9	40	14
11.4	2.57	2.57	2.83	10	5	very high	0.68	2.6	26	10
9.3	2.56	2.56	2.90	13	24	high	0.80	2.8	31	3
15.1	1.48	1.48	0.92	–38	28	average	0.16	1.3	11	NA
1.3	0.57	0.57	1.68	195	13	low	0.46	1.7	81	9
20.3	1.83	1.83	2.20	20	15	high	1.20	4.5	66	20
9.7	3.01	3.01	3.31	10	4	high	1.00	2.5	33	7
0.5	0.27	0.27	4.41	NM	29	average	1.40	2.6	NM	7
5.9	1.81	1.81	1.89	4	25	low	1.92	6.4	106	9
9.5	2.92	2.92	3.23	11	15	very high	1.04	3.0	36	9
2.9	2.90	2.74	2.98	9	10	very high	1.16	3.6	40	9
2.4	1.51	1.51	1.68	11	40	very low	1.00	2.9	66	1
5.4	2.78	2.78	2.78	0	2	NM	0.40	1.6	14	NA
11.0	1.35	1.35	1.60	19	37	high	0.60	1.4	44	9
11.1	4.86	4.86	5.46	12	38	very high	3.04	5.5	63	26

Sources: William O'Neil & Co., The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro Scan from Lotus Information Services. Forbes.

The Forbes 500s on Wall Street

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high-low	Stock price 12-month high-low	Stock price recent	Stock performance —latest 12 months— price change	Stock performance —latest 12 months— relative to market	Stock price ratios price/earnings 5-year high-low	Stock price ratios price/earnings latest 12 months	Stock price ratios price/earnings 1987 est	Stock price ratios price/sales
USAir Group/Dec	U	n	52– 13	52– 30	45⅛	31%	108	14– 4	13.5	12.0	0.67
USF&G/Dec	FG	n	49– 16	49– 36	46¼	1	83	44– 8	11.3	8.8	0.73
USG/Dec	USG	n	47– 7	47– 32	42⅜	31	108	22– 4	12.0	10.3	0.82
USLife/Dec	USH	n	50– 15	50– 40	43½	–4	79	12– 4	9.4	10.0	0.71
USX/Dec	X	n	33– 15	29– 15	27⅜	17	97	13– 6	NM	39.5	0.51
Utah Power & Light/Dec	UTP	n	37– 17	37– 26	25¾	–7	77	17– 8	11.4	11.0	1.50
Valero Energy/Dec	VLO	n	37– 6	12– 7	11½	30	107	24– 4	NM	23.0	0.15
Valley Federal S&L/Dec	VFED	o	36– 7	36– 23	35½	34	111	NM– 4	6.4	NA	0.33
Valley National/Dec	VNCP	o	50– 13	50– 35	42¾	–4	79	11– 4	8.6	8.2	0.67
VF/Dec	VFC	n	42– 4	42– 26	41½	26	104	20– 4	20.2	15.2	1.81
Viacom International/Dec	VIA	n	52– 9	52– 25	51⅜	90	157	NM– 10	NM	60.0	2.00
Vulcan Materials/Dec	VMC	n	144– 39	144–101	138	30	107	19– 7	16.4	14.3	1.52
Wal-Mart Stores/Jan	WMT	n	59– 5	59– 36	56⅞	48	122	44– 16	35.8	28.0	1.33
Walgreen/Aug	WAG	n	40– 6	40– 30	37¼	14	94	24– 7	23.1	20.4	0.60
Wang Laboratories/Jun	WANB	a	43– 11	22– 11	15⅞	–23	64	NM– 13	NM	NM	0.96
Warner Commun/Dec	WCI	n	33– 9	33– 19	31⅞	47	121	25– 7	25.2	22.0	1.39
Warner-Lambert/Dec	WLA	n	79– 20	79– 51	77	48	122	18– 9	18.4	18.8	1.78
Washington Mutual/Dec	WAMU	o	38– 5	38– 16	35½	127	187	NM– 2	4.9	9.2	0.77
Washington Post/Dec	WPOB	a	194– 29	194–128	189	24	102	24– 10	24.2	20.4	2.00
Washington Water/Dec	WWP	n	32– 16	32– 25	29½	8	89	51– 5	14.3	12.3	1.68
Waste Management/Dec	WMX	n	39– 7	39– 21	38¼	69	139	28– 10	21.7	55.7	8.14
Weis Markets/Dec	WMK	n	45– 11	45– 33	44¼	17	97	22– 8	20.8	19.2	1.23
Wells Fargo/Dec	WFC	n	58– 9	58– 40	51⅜	22	101	12– 3	10.2	8.6	0.70
Wendy's Intl/Dec	WEN	n	18– 4	18– 9	10¾	–23	64	NM– 9	NM	21.5	0.93
West Point-Pepperell/Aug	WPM	n	66– 20	66– 45	59⅜	10	91	17– 5	13.5	13.2	0.44
Western Capital Inv/Dec	WECA	o	22– 11	21– 13	16⅞	–7	77	14– 6	NM	7.5	0.45
Western S&L/Dec	WSL	n	28– 1	28– 17	22½	8	89	25– 5	12.5	NA	0.50
Westinghouse Elec/Dec	WX	n	68– 11	68– 49	64¼	26	104	15– 5	14.5	12.7	0.85
Westvaco/Oct	W	n	51– 11	51– 31	50⅜	43	118	20– 6	20.3	16.0	1.19
Wetterau/Mar	WETT	o	45– 10	45– 36	44¼	8	89	37– 8	16.5	12.0	0.14
Weyerhaeuser/Dec	WY	n	58– 23	58– 31	57⅛	53	126	65– 14	30.0	17.7	1.03
Whirlpool/Dec	WHR	n	42– 13	42– 29	38⅜	16	96	16– 7	14.3	13.4	0.71
Whitney Holding/Dec	—	o	59– 43	59– 44	56	27	105	13– 9	12.7	NA	1.60
Wickes Cos/Jan	WIX	a	8– 2	7– 3	4	–35	54	63– 2	14.3	8.9	0.20
Willamette Inds/Dec	WMTT	o	64– 10	64– 33	62	69	139	NM– 7	21.1	16.1	1.31
Williams Cos/Dec	WMB	n	35– 13	35– 18	34¼	43	118	36– 5	NM	19.1	0.63
Wilmington Trust/Dec	WILM	o	33– 3	33– 20	33¼	50	124	17– 4	17.1	14.5	2.22
Wilson Foods/Jul	WILF	o	15– 4	12– 7	12	43	118	NM– 2	13.8	8.0	0.06
Winn-Dixie Stores/Jun	WIN	n	59– 19	59– 36	47⅛	19	98	23– 8	18.0	16.6	0.23
Wisconsin Energy/Dec	WEC	n	65– 20	65– 46	50⅝	5	87	13– 5	10.7	NA	1.19
Wisconsin P&L/Dec	WPL	n	60– 20	60– 45	49½	8	89	15– 5	11.6	11.7	1.15
Witco/Dec	WIT	n	46– 9	46– 31	45⅛	31	108	16– 5	15.5	14.4	0.75
FW Woolworth/Jan	Z	n	50– 8	50– 35	48½	38	114	19– 7	14.9	12.8	0.49
WM Wrigley Jr/Dec	WWY	n	54– 10	54– 35	51¼	43	118	21– 7	20.1	17.7	1.55
Xerox/Dec	XRX	n	75– 27	75– 49	72⅞	7	88	21– 5	17.0	13.4	0.55
Yellow Freight Systm/Dec	YELL	o	42– 5	42– 30	31⅛	–8	76	28– 7	13.4	11.6	0.52
Zayre/Jan	ZY	n	44– 4	44– 21	30½	–13	72	20– 6	19.7	14.6	0.33
Zenith Electronics/Dec	ZE	n	39– 10	30– 19	24½	1	83	16– 7	NM	30.2	0.30
Zions Utah Bancorp/Dec	ZION	o	64– 21	64– 39	45½	–11	73	15– 6	13.2	10.4	0.87

*Range is for less than period indicated. NA: not available or not applicable. NM: not meaningful. E: estimate. Stock prices as of Mar. 19, 1987.

net profit margin	latest 12 months EPS	1986 EPS	estimated 1987 EPS	% change '87 vs '86 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
	Earnings						Dividends			
5.4%	$3.34	$3.34	$3.76	13%	21	low	$0.12	0.3%	4%	2%
6.3	4.11	4.11	5.25	28	26	average	2.48	5.4	60	7
8.3	3.54	3.54	4.10	16	12	average	1.12	2.6	32	16
7.8	4.63	4.63	4.34	–6	16	high	1.20	2.8	26	8
11.4	–6.53	–6.53	0.70	NM	20	very low	1.20	4.3	NM	–2
14.9	2.26	2.26	2.35	4	23	very high	2.32	9.0	103	1
NM	–4.36	–4.36	0.50	NM	12	very low	none	NA	NA	NA
5.4	5.51	5.51	NA	NA	NA	NA	none	NA	NA	NA
6.1	4.97	4.97	5.23	5	21	high	1.44	3.4	29	9
8.4	2.05	2.05	2.73	33	12	average	0.72	1.7	35	18
NM	–0.26	–0.26	0.86	NM	9	low	0.28	0.5	NM	8
9.7	8.40	8.40	9.63	15	7	high	3.40	2.5	40	6
3.7	1.59	1.59	2.03	28	27	average	0.24	0.4	15	37
2.6	1.61	1.67	1.83	10	18	very high	0.54	1.4	34	18
NM	–0.54	0.35	–0.47	NM	32	very low	0.16	1.0	NM	26
6.5	1.26	1.26	1.44	14	20	average	0.40	1.3	32	NA
10.0	4.18	4.18	4.09	–2	34	very high	1.68	2.2	40	3
15.7	7.22	7.22	3.87	–46	10	low	0.48	1.4	7	NA
8.2	7.80	7.80	9.26	19	15	high	1.28	0.7	16	–4
16.0	2.06	2.06	2.40	17	6	average	2.48	8.4	120	1
18.4	1.76	1.76	1.37	–22	18	high	0.36	0.9	20	21
5.9	2.13	2.13	2.31	8	6	average	0.64	1.4	30	13
6.9	5.03	5.03	5.94	18	32	high	1.56	3.0	31	12
NM	–0.05	–0.05	0.50	NM	24	low	0.24	2.2	NM	29
1.6	4.41	4.09	4.50	10	9	high	2.20	3.7	50	1
NM	–0.77	–0.77	2.24	NM	5	low	none	NA	NA	NA
5.5	1.80	1.80	NA	NA	NA	NA	0.24	1.1	13	68
6.3	4.42	4.42	5.04	14	24	high	1.40	2.2	32	12
5.8	2.48	2.50	3.15	26	19	average	1.00	2.0	40	4
0.9	2.71	2.90	3.73	29	12	high	1.04	2.3	38	7
3.8	1.91	1.91	3.23	69	24	average	1.30	2.3	68	0
5.0	2.70	2.70	2.89	7	15	very high	1.10	2.8	41	5
12.3	4.41	4.41	NA	NA	NA	NA	2.56	4.6	58	NA
1.5	0.28	0.28	0.45	61	5	very low	none	NA	NA	NA
6.2	2.94	2.94	3.84	31	14	average	1.08	1.7	37	6
NM	–7.25	–7.25	1.79	NM	16	very low	1.40	4.1	NM	5
12.9	1.95	1.95	2.30	18	7	high	0.72	2.2	37	14
0.3	0.87	–3.96	1.50	NM	1	NM	none	NA	NA	NA
1.3	2.62	2.84	2.84	0	10	high	1.80	3.8	69	6
11.2	4.74	4.74	NA	NA	NA	NA	2.68	5.3	57	8
10.6	4.28	4.28	4.23	–1	15	very high	3.04	6.1	71	7
4.8	2.93	2.93	3.16	8	10	high	1.12	2.5	38	7
3.3	3.25	3.25	3.78	16	19	high	1.12	2.3	34	2
7.7	2.55	2.55	2.90	14	6	high	1.40	2.7	55	12
3.6	4.28	4.28	5.44	27	14	average	3.00	4.1	70	0
3.9	2.35	2.35	2.70	15	20	average	0.62	2.0	26	15
1.7	1.55	1.55	2.09	35	18	average	0.32	1.0	21	48
NM	–0.43	–0.43	0.81	NM	12	very low	none	NA	NA	NA
6.8	3.46	3.46	4.38	27	5	average	1.44	3.1	42	10

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan; via MicroScan from Lotus Information Services, Forbes.

Where to find The Forbes 500s

This section lists basic data on the 790 companies in The Forbes 500s. Address, telephone, industry group and CEO are included.

ADDRESSES

Abbott Laboratories
Route 137 & Waukegan Road
Abbott Park, IL 60064
312–937–6100
CEO: Robert A Schoellhorn
Health–drugs
Health–medical supplies

Aetna Life & Casualty
151 Farmington Avenue
Hartford, CT 06156
203–273–0123
CEO: James T Lynn
Insurance–diversified

Affiliated Bankshares of Colorado
1125 17th Street
Denver, CO 80202
303–296–7788
CEO: Leo Hill
Bank–West

Affiliated Publications
135 Morrissey Boulevard
Boston, MA 02107
617–929–3300
CEO: William O Taylor
Publishing

HF Ahmanson
3731 Wilshire Boulevard
Los Angeles, CA 90010
213–487–4277
CEO: Richard H Deihl
Thrift institution

Air Products & Chemicals
PO Box 538
Allentown, PA 18105
215–481–4911
CEO: Dexter F Baker
Chemicals–specialized

Albertson's
PO Box 20
Boise, ID 83726
208–385–6200
CEO: Warren E McCain
Supermarkets–major

Alco Health Services
PO Box 959
Valley Forge, PA 19482–0959
215–296–4480
CEO: John H Kennedy
Health–drugs

Alco Standard
PO Box 834
Valley Forge, PA 19482–0834
215–296–8000
CEO: Ray B Mundt
Conglomerate
Office products & services

Alexander & Alexander Services
1211 Avenue of the Americas
New York, NY 10036
212–840–8500
CEO: John A Bogardus Jr
Insurance–broker

Alexander & Baldwin
PO Box 3440
Honolulu, HI 96801
808–525–6611
CEO: Robert J Pfeiffer
Shipping

Alleghany
Park Avenue Plaza
New York, NY 10055
212–752–1356
CEO: Fred M Kirby
Financial company
Metals–steel

Allegheny International
PO Box 456
Pittsburgh, PA 15230
412–562–4000
CEO: Oliver S Travers
Conglomerate
Appliances

Allegheny Power System
320 Park Avenue
New York, NY 10022
212–752–2121
CEO: Klaus Bergman
Electric utility–Northeast

Allied Bancshares
PO Box 1515
Houston, TX 77251
713–224–6611
CEO: Gerald H Smith
Bank–South central

Allied-Signal
PO Box 4000R
Morristown, NJ 07960
201–455–2000
CEO: Edward L Hennessy Jr
Aerospace & defense
Automotive parts

Aluminum Co of America
1501 Alcoa Building
Pittsburgh, PA 15219
412–553–4545
CEO: Charles W Parry
Metals–nonferrous

AMAX
Amax Center
Greenwich, CT 06836–1700
203–629–6000
CEO: Allen Born
Metals–nonferrous
Coal

Amdahl
Box 3470
Sunnyvale, CA 94088–3470
408–746–6000
CEO: John C Lewis
Computers

Amerada Hess
1185 Avenue of the Americas
New York, NY 10036
212–997–8500
CEO: Leon Hess
Oil–other oil & gas

American Brands
PO Box 819
Old Greenwich, CT 06870–0819
203–698–5000
CEO: Edward W Whittemore
Conglomerate
Tobacco

Where to find The Forbes 500s

American Can
PO Box 3610
Greenwich, CT 06836–3610
203–552–2000
CEO: Gerald Tsai Jr
Insurance–life & health
Retailing–miscellaneous

American Capital
5555 Biscayne Boulevard
Miami, FL 33137
305–754–5555
CEO: Jack D Burstein
Thrift institution

American Continental
2735 East Camelback Road
Phoenix, AZ 85016
602–957–7170
CEO: Charles H Keating Jr
Thrift institution

American Cyanamid
One Cyanamid Plaza
Wayne, NJ 07470
201–831–2000
CEO: George J Sella Jr
Chemicals–diversified
Health–drugs

American Electric Power
One Riverside Plaza
Columbus, OH 43215
614–223–1000
CEO: Willis S White Jr
Electric utility–North central

American Express
American Express Plaza
New York, NY 10285–4805
212–640–2000
CEO: James D Robinson III
Financial company

American Family
1932 Wynnton Road
Columbus, GA 31999
404–323–3431
CEO: John B Amos
Insurance–life & health

American General
PO Box 3247
Houston, TX 77253
713–522–1111
CEO: Harold S Hook
Insurance–diversified

American Greetings
10500 American Road
Cleveland, OH 44144
216–252–7300
CEO: Irving I Stone
Publishing

American Home Products
685 Third Avenue
New York, NY 10017–4085
212–878–5000
CEO: John R Stafford
Health–drugs
Food processor–branded foods

American International Group
70 Pine Street
New York, NY 10270
212–770–7000
CEO: Maurice R Greenberg
Insurance–diversified

American Medical International
414 North Camden Drive
Beverly Hills, CA 90210
213–278–6200
CEO: Walter L Weisman
Health–services

American Motors
27777 Franklin Road
Southfield, MI 48034
313–827–1000
CEO: Joseph E Cappy
Automobiles & trucks

American National Insurance
1 Moody Plaza
Galveston, TX 77550
409–763–4661
CEO: Orson C Clay
Insurance–life & health

American Petrofina
8350 North Central Expressway
Dallas, TX 75206
214–750–2400
CEO: Kenneth W Perry
Oil–other oil & gas

American President Cos Ltd
1800 Harrison Street
Oakland, CA 94612
415–272–8000
CEO: W Bruce Seaton
Shipping

American Savings Bank FSB
380 Madison Avenue
New York, NY 10017
212–880–7600
CEO: John T Morgan
Thrift institution

American Standard
40 West 40th Street
New York, NY 10018
212–703–5100
CEO: William B Boyd
Commercial builder
Construction materials/Railroads

American Stores
PO Box 27447
Salt Lake City, UT 84127–0447
801–539–0112
CEO: Lennie S Skaggs
Health–drugs
Supermarkets–major

American Telephone & Telegraph
550 Madison Avenue
New York, NY 10022
212–605–5500
CEO: James E Olson
Telecomm–carrier

AmeriFirst Federal Savings & Loan
PO Box 026029
Miami, FL 33102–6029
305–577–6100
CEO: Thomas R Bomar
Thrift institution

Ameritech
30 South Wacker Drive
Chicago, IL 60606
312–750–5000
CEO: William L Weiss
Telecomm–carrier

AmeriTrust
900 Euclid Avenue
Cleveland, OH 44115–1461
216–687–5000
CEO: Jerry V Jarrett
Bank–North central

Ames Department Stores
2418 Main Street
Rocky Hill, CT 06067–0801
203–563–8234
CEO: Herbert Gilman
Retailing–discount & variety stores

Amfac
PO Box 7813
San Francisco, CA 94120
415–772–3370
CEO: Ronald R Sloan
Conglomerate
Food processor–commodities

Amoco
200 East Randolph Drive
Chicago, IL 60601
312–856–6111
CEO: Richard M Morrow
Oil–international

AMP
470 Friendship Road
Harrisburg, PA 17105
717–564–0100
CEO: Walter F Raab
Electronic equipment

AMR
PO Box 619616
DFW Airport, TX 75261–9616
817–355–1234
CEO: Robert L Crandall
Air transport–passenger

AmSouth Bancorporation
PO Box 11007
Birmingham, AL 35288
205–320–7151
CEO: John W Woods
Bank–Southeast

Anadarko Petroleum
PO Box 1330
Houston, TX 77251–1330
713–875–1101
CEO: Robert J Allison Jr
Oil–other oil & gas

Where to find The Forbes 500s

Anheuser-Busch Cos
One Busch Place
St Louis, MO 63118–1852
314–577–2000
CEO: August A Busch III
Beverages–alcoholic

Apple Bank for Savings
205 East 42nd Street
New York, NY 10017
212–573–8000
CEO: Jerome R McDougal Jr
Thrift institution

Apple Computer
20525 Mariani Avenue
Cupertino, CA 95014
408–996–1010
CEO: John Sculley
Computers

Archer Daniels Midland
4666 Faries Parkway
Decatur, IL 62525
217–424–5200
CEO: Dwayne O Andreas
Food processor–commodities

Arkla
PO Box 21734
Shreveport, LA 71151
318–226–2700
CEO: Thomas F McLarty III
Natural gas–integrated

Armco
300 Interpace Parkway
Parsippany, NJ 07054-0324
201–316–5200
CEO: Robert E Boni
Metals–steel

Armstrong World Industries
PO Box 3001
Lancaster, PA 17604
717–397–0611
CEO: Joseph L Jones
Construction materials

Ashland Oil
PO Box 391
Ashland, KY 41114
606–329–3333
CEO: John R Hall
Oil–other oil & gas

Atlantic City Electric
PO Box 1264
Pleasantville, NJ 08232
609–645–4100
CEO: E Douglas Huggard
Electric utility–Northeast

Atlantic Financial Federal
50 Monument Road
Bala Cynwyd, PA 19004
215–668–9440
CEO: Donald R Caldwell
Thrift institution

Atlantic Richfield
515 South Flower Street
Los Angeles, CA 90071
213–486–3511
CEO: Lodwrick M Cook
Oil–other oil & gas

Automatic Data Processing
One ADP Boulevard
Roseland, NJ 07068
201–994–5000
CEO: Josh S Weston
Office products & services

Avnet
767 Fifth Avenue
New York, NY 10153
212–644–1050
CEO: Anthony R Hamilton
Semiconductors

Avon Products
9 West 57th Street
New York, NY 10019
212–546–6015
CEO: Hicks B Waldron
Personal products

AZP Group
PO Box 53900
Phoenix, AZ 85072–3900
602–234–1142
CEO: Keith L Turley
Electric utility–West

Baker International
PO Box 4740
Houston, TX 77210–4740
713–439–8600
CEO: Earnest H Clark Jr
Oilfield services

Ball Corp
PO Box 2407
Muncie, IN 47307–0407
317–747–6100
CEO: Richard M Ringoen
Packaging

Bally Manufacturing
8700 West Bryn Mawr Avenue
Chicago, IL 60631
312–399–1300
CEO: Robert E Mullane Jr
Entertainment
Hotels & gaming

Baltimore Gas & Electric
PO Box 1475
Baltimore, MD 21203
301–234–5000
CEO: Bernard C Trueschler
Electric utility–Northeast
Natural gas–distributor

Banc One
100 East Broad Street
Columbus, OH 43215
614–248–5944
CEO: John B McCoy
Bank–North central

Banco Popular de Puerto Rico
GPO Box 2708
San Juan, PR 00936
809–765–9800
CEO: Rafael Carrion Jr
Bank–Southeast

BancOklahoma
PO Box 2300
Tulsa, OK 74192
918–588–6000
CEO: Leonard J Eaton Jr
Bank–South central

Bancorp Hawaii
PO Box 2900
Honolulu, HI 96846
808–537–8111
CEO: Frank J Manaut
Bank–West

Bank of Boston
100 Federal Street
Boston, MA 02110
617–434–2200
CEO: William L Brown
Bank–multinational

Bank of New England
28 State Street
Boston, MA 02109
617–742–4000
CEO: Walter J Connolly Jr
Bank–Northeast

Bank of New York
48 Wall Street
New York, NY 10286
212–530–1784
CEO: John Carter Bacot
Bank–Northeast

Bank South
PO Box 5092
Atlanta, GA 30302
404–529–4111
CEO: Robert P Guyton
Bank–Southeast

BankAmerica
Box 37000
San Francisco, CA 94137
415–622–3456
CEO: Alden W Clausen
Bank–multinational

Bankers Trust New York
280 Park Avenue
New York, NY 10017
212–250–2500
CEO: Alfred Brittain III
Bank–multinational

Banks of Mid-America
PO Box 25848
Oklahoma City, OK 73125
405–231–6000
CEO: John W McLean
Bank–Southeast

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BanPonce
PO Box G–3108
San Juan, PR 00936
809–754–9400
CEO: Alberto M Paracchini
Bank–Southeast

CR Bard
731 Central Avenue
Murray Hill, NJ 07974
201–277–8000
CEO: Robert H McCaffrey
Health–medical supplies

Barnett Banks of Florida
PO Box 40789
Jacksonville, FL 32231
904–791–7720
CEO: Charles E Rice
Bank–Southeast

Bausch & Lomb
PO Box 54
Rochester, NY 14601
716–338–6000
CEO: Daniel E Gill
Health–drugs

BayBanks
175 Federal Street
Boston, MA 02110
617–482–1040
CEO: William M Crozier Jr
Bank–Northeast

Bear Stearns Companies
55 Water Street
New York, NY 10041
212–952–5000
CEO: Alan C Greenberg
Brokerage house

Becton Dickinson
One Becton Drive
Franklin Lakes, NJ 07417–1880
201–848–6800
CEO: Wesley J Howe
Health–medical supplies

Bell Atlantic
1600 Market Street
Philadelphia, PA 19103
215–963–6000
CEO: Thomas E Bolger
Telecomm–carrier

BellSouth
675 West Peachtree Street NE
Atlanta, GA 30375
404–420–8600
CEO: John L Clendenin
Telecomm–carrier

Beneficial Corp
1100 Carr Road
Wilmington, DE 19899
302–798–0800
CEO: Finn M W Caspersen
Financial company
Insurance–diversified

Benj Franklin Federal S&L
501 SE Hawthorne Boulevard
Portland, OR 97214
503–248–1234
CEO: G Dale Weight
Thrift institution

Bergen Brunswig
4000 Metropolitan Drive
Orange, CA 92668–3510
714–385–4000
CEO: Emil P Martini Jr
Health–drugs

Berkshire Hathaway
1440 Kiewit Plaza
Omaha, NE 68131
402–346–1400
CEO: Warren E Buffett
Conglomerate
Insurance–property & casualty

Best Products
PO Box 26303
Richmond, VA 23260
804–261–2000
CEO: Robert E R Huntley
Retailing–catalog showrooms

Bethlehem Steel
Martin Tower
Bethlehem, PA 18016
215–694–2424
CEO: Walter F Williams
Metals–steel

Beverly Enterprises
PO Box 90130
Pasadena, CA 91109–5130
818–577–6111
CEO: Robert Van Tuyle
Health–services

Black & Decker
701 East Joppa Road
Towson, MD 21204
301–583–3900
CEO: Nolan D Archibald
Appliances

H&R Block
4410 Main Street
Kansas City, MO 64111
816–753–6900
CEO: Henry W Bloch
Financial company
Office products & services

Boatmen's Bancshares
PO Box 236
St Louis, MO 63166
314–425–7500
CEO: Donald N Brandin
Bank–North central

Boeing
PO Box 3707
Seattle, WA 98124
206–655–2121
CEO: Frank A Shrontz
Aerospace & defense

Boise Cascade
One Jefferson Square
Boise, ID 83728
208–384–6161
CEO: John B Fery
Paper
Packaging/Lumber

Borden
277 Park Avenue
New York, NY 10172
212–573–4000
CEO: Romeo J Ventres
Food processor–branded foods
Chemicals–diversified

Borg-Warner
200 South Michigan Avenue
Chicago, IL 60604
312–322–8500
CEO: Clarence E Johnson
Automotive parts
Chemicals–diversified/Office prods & svcs

Boston Edison
800 Boylston Street
Boston, MA 02199
617–424–2000
CEO: Stephen J Sweeney
Electric utility–Northeast

Bowater
PO Box 4012
Darien, CT 06820–4012
203–656–7200
CEO: Anthony P Gammie
Paper

Branch Corp
PO Box 1847
Wilson, NC 27893
919–399–4291
CEO: L Vincent Lowe Jr
Bank–Southeast

Bristol-Myers
345 Park Avenue
New York, NY 10154
212–546–4000
CEO: Richard L Gelb
Health–drugs
Personal products

Brown-Forman
PO Box 1080
Louisville, KY 40201
502–585–1100
CEO: W L Lyons Brown Jr
Beverages–alcoholic

Brown Group
PO Box 29
St Louis, MO 63166
314–854–4000
CEO: Bernard A Bridgewater Jr
Retailing–shoe stores
Shoe manufacturer

Where to find The Forbes 500s

Browning-Ferris Industries
PO Box 3151
Houston, TX 77253
713–870–8100
CEO: Harry J Phillips Sr
Industrial services

Brunswick
One Brunswick Plaza
Skokie, IL 60077
312–470–4700
CEO: Jack F Reichert
Recreation

Burlington Industries
PO Box 21207
Greensboro, NC 27420
919–379–2000
CEO: Frank S Greenberg
Textile manufacturer
Home furnishings

Burlington Northern
999 Third Avenue
Seattle, WA 98104–4097
206–467–3838
CEO: Richard M Bressler
Railroads
Natural gas–prod & pipeliner

Cabot
950 Winter Street
Waltham, MA 02254–9073
617–890–0200
CEO: Robert A Charpie
Oil–other oil & gas
Chemicals–specialized

CalFed
5670 Wilshire Boulevard
Los Angeles, CA 90036
213–932–4200
CEO: George P Rutland
Thrift institution

California First Bank
350 California Street
San Francisco, CA 94104–1476
415–445–0200
CEO: Seishichi Itoh
Bank–West

Campbell Soup
Campbell Place
Camden, NJ 08103–1799
609–342–4800
CEO: R Gordon McGovern
Food processor–branded foods

Capital Cities/ABC
24 East 51st Street
New York, NY 10022
212–421–9595
CEO: Thomas S Murphy
Publishing
Broadcasting

Capital Holding
PO Box 32830
Louisville, KY 40232
502–560–2000
CEO: Thomas C Simons
Insurance–life & health

Carolina Power & Light
PO Box 1551
Raleigh, NC 27602
919–836–6111
CEO: Sherwood H Smith Jr
Electric utility–Southeast

Carson Pirie Scott
36 South Wabash Avenue
Chicago, IL 60603
312–245–8000
CEO: Peter S Willmott
Retailing–department stores
Food distributor–wholesale

Carter Hawley Hale Stores
PO Box 17902
Los Angeles, CA 90017
213–620–0150
CEO: Philip M Hawley
Retailing–department stores
Retailing–apparel

Carteret Savings Bank
200 South Street
Morristown, NJ 07960
201–326–1000
CEO: Robert B O'Brien Jr
Thrift institution

Castle & Cook
10900 Wilshire Boulevard
Los Angeles, CA 90024
213–824–1500
CEO: David H Murdock
Food processor–branded foods

Caterpillar
100 Northeast Adams Street
Peoria, IL 61629–7310
309–675–1000
CEO: George A Schaefer
Heavy equipment–building & mining

CBS
51 West 52nd Street
New York, NY 10019
212–975–4321
CEO: Laurence A Tisch
Broadcasting
Entertainment

Centel
8725 Higgins Road
Chicago, IL 60631
312–399–2500
CEO: John P Frazee Jr
Telecomm–carrier

Centerior Energy
PO Box 94661
Cleveland, OH 44101–4661
216–447–3100
CEO: Robert M Ginn
Electric utility–North central

Centerre Bancorporation
One Centerre Plaza
St Louis, MO 63101
314–554–6000
CEO: Clarence C Barksdale
Bank–North central

Centex
PO Box 19000
Dallas, TX 75219
214–559–6500
CEO: Paul R Seegers
Commercial builder
Residential builder

Central & South West
PO Box 660164
Dallas, TX 75266–0164
214–754–1000
CEO: Durwood Chalker
Electric utility–South central

Central Bancorporation
201 East 5th Street
Cincinnati, OH 45202
513–651–8000
CEO: Oliver W Birckhead
Bank–North central

Central Bancshares of the South
701 South 20th Street
Birmingham, AL 36233
205–933–3000
CEO: Harry B Brock Jr
Bank–Southeast

Central Fidelity Banks
PO Box 27602
Richmond, VA 23261
804–782–4000
CEO: Carroll L Saine
Bank–Mid-Atlantic

Central Hudson Gas & Electric
284 South Avenue
Poughkeepsie, NY 12601–4879
914–452–2000
CEO: John E Mack III
Electric utility–Northeast

Central Illinois Public Service
607 East Adams Street
Springfield, IL 62739
217–523–3600
CEO: Donald G Raymer
Electric utility–North central
Natural gas–distributor

CenTrust Savings
101 East Flagler Street
Miami, FL 33131
305–376–5000
CEO: David L Paul
Thrift institution

CertainTeed
PO Box 860
Valley Forge, PA 19482
215–341–7000
CEO: Michel L Besson
Construction materials

Champion International
One Champion Plaza
Stamford, CT 06921
203–358–7000
CEO: Andrew C Sigler
Paper
Lumber

Where to find The Forbes 500s

Charming Shoppes
450 Winks Lane
Bensalem, PA 19020
215–245–9100
CEO: Morris Sidewater
Retailing–apparel

Chase Manhattan
One Chase Manhattan Plaza
New York, NY 10081
212–552–2222
CEO: Willard C Butcher
Bank–multinational

Chemical New York
277 Park Avenue
New York, NY 10172
212–310–6161
CEO: Walter V Shipley
Bank–multinational

Chevron
225 Bush Street
San Francisco, CA 94104–4289
415–894–7700
CEO: George M Keller
Oil–international

Chrysler
PO Box 1919
Detroit, MI 48288–1919
313–956–2894
CEO: Lee A Iacocca
Automobiles & trucks

Chubb
PO Box 1615
Warren, NJ 07061–1615
201–580–2000
CEO: Henry U Harder
Insurance–property & casualty

Cigna
One Logan Square
Philadelphia, PA 19103
215–557–5000
CEO: Robert D Kilpatrick
Insurance–diversified
Financial company

Cincinnati Bell
PO Box 2301
Cincinnati, OH 45201
513–397–9900
CEO: Dwight H Hibbard
Telecomm–carrier

Cincinnati Financial
PO Box 145496
Cincinnati, OH 45214–5496
513–870–2000
CEO: John J Schiff
Insurance–diversified

Cincinnati Gas & Electric
PO Box 960
Cincinnati, OH 45201
513–381–2000
CEO: Jackson H Randolph
Electric utility–North central
Natural gas–distributor

Circle K
PO Box 52084
Phoenix, AZ 85072–2084
602–253–9600
CEO: Karl Eller
Convenience stores

Citadel Holding
600 North Brand Boulevard
Glendale, CA 91203
818–956–7100
CEO: Gerald D Barrone
Thrift institution

Citicorp
399 Park Avenue
New York, NY 10043
212–559–1000
CEO: John S Reed
Bank–multinational

Citizens & Southern
PO Box 4899
Atlanta, GA 30302–4899
404–581–2121
CEO: Bennett A Brown
Bank–Southeast

City National
400 North Roxbury Drive
Beverly Hills, CA 90210
213–550–5400
CEO: Bram Goldsmith
Bank–West

CityFed Financial
PO Box 2872
Palm Beach, FL 33480
305–655–5919
CEO: Alfred J Hedden
Thrift institution

Clorox
1221 Broadway
Oakland, CA 94612
415–271–7000
CEO: Charles R Weaver
Household products

Coast Savings & Loan Assn
855 South Hill Street
Los Angeles, CA 90014
213–624–2110
CEO: Ray Martin
Thrift institution

Coastal Corp
9 Greenway Plaza
Houston, TX 77046
713–877–1400
CEO: Oscar S Wyatt Jr
Oil–other oil & gas
Natural gas–prod & pipeliner

Coca-Cola
One Coca-Cola Plaza NW
Atlanta, GA 30313
404–676–2121
CEO: Roberto C Goizueta
Beverages–soft drinks

Coca-Cola Enterprises
One Coca-Cola Plaza NW
Atlanta, GA 30313
404–676–2100
CEO: Brian G Dyson
Beverages–soft drinks

Colgate-Palmolive
300 Park Avenue
New York, NY 10022
212–310–2000
CEO: Reuben Mark
Personal products

Colorado National Bankshares
PO Box 5168
Denver, CO 80217
303–629–1968
CEO: Will F Nicholson Jr
Bank–West

Colt Industries
430 Park Avenue
New York, NY 10022
212–940–0400
CEO: David I Margolis
Automotive parts
Aerospace & defense/Heavy equip–industrial

Columbia Gas System
20 Montchanin Road
Wilmington, DE 19807
302–429–5000
CEO: John H Croom
Natural gas–integrated

Columbia Savings & Loan Assn
8840 Wilshire Boulevard
Beverly Hills, CA 90211
213–657–6134
CEO: Thomas Spiegel
Thrift institution

Combined International
123 North Wacker Drive
Chicago, IL 60606
312–701–3000
CEO: Patrick G Ryan
Insurance–diversified

Combustion Engineering
PO Box 9308
Stamford, CT 06904
203–329–8771
CEO: Charles E Hugel
Heavy equipment–industrial

Comdisco
6400 Shafer Court
Rosemont, IL 60018
312–698–3000
CEO: Kenneth N Pontikes
Office products & services

Comerica
211 West Fort Street
Detroit, MI 48275
313–222–3300
CEO: Donald R Mandich
Bank–North central

Where to find The Forbes 500s

Commerce Bancshares
PO Box 13686
Kansas City, MO 64199
816–234–2000
CEO: David W Kemper
Bank–North central

Commerce Clearing House
2700 Lake Cook Road
Riverwoods, IL 60015
312–940–4600
CEO: Richard T Merrill
Publishing

Commerce Union
One Commerce Place
Nashville, TN 37219
615–749–3333
CEO: Dennis C Bottorff
Bank–Southeast

Commercial Credit
300 St Paul Place
Baltimore, MD 21202
301–332–3000
CEO: Sanford I Weill
Financial company

Commercial Federal
2120 South 72nd Street
Omaha, NE 68124
402–554–9200
CEO: William A Fitzgerald
Thrift institution

Commonwealth Edison
PO Box 767
Chicago, IL 60690
312–294–4321
CEO: James J O'Connor
Electric utility–North central

Communications Satellite
950 L'Enfant Plaza SW
Washington, DC 20024
202–863–6000
CEO: Irving Goldstein
Telecomm–carrier

Community Psychiatric Centers
2204 East Fourth Street
Santa Ana, CA 92705
714–835–4535
CEO: James W Conte
Health–services

ConAgra
One Central Park Plaza
Omaha, NE 68102
402–978–4000
CEO: Charles M Harper
Food processor–branded foods

Conifer Group
370 Main Street
Worcester, MA 01608
617–752–5661
CEO: Kenneth J McIlraith
Bank–Northeast

Consolidated Edison
4 Irving Place
New York, NY 10003
212–460–4600
CEO: Arthur Hauspurg
Electric utility–Northeast

Consolidated Freightways
PO Box 10340
Palo Alto, CA 94303
415–494–2900
CEO: Raymond F O'Brien
Trucking & leasing

Consolidated Natural Gas
Four Gateway Center
Pittsburgh, PA 15222
412–227–1000
CEO: George J Tankersley
Natural gas–integrated

Consolidated Papers
PO Box 50
Wisconsin Rapids, WI 54494
715–422–3111
CEO: George W Mead
Paper

Consumers Power
212 West Michigan Avenue
Jackson, MI 49201
517–788–0550
CEO: William T McCormick Jr
Electric utility–North central
Natural gas–distributor

Contel (formerly Continental Telecom)
PO Box 105194
Atlanta, GA 30348
404–391–8000
CEO: John N Lemasters
Telecomm–carrier

Continental Corp
180 Maiden Lane
New York, NY 10038
212–440–3980
CEO: John P Mascotte
Insurance–diversified

Continental Illinois
231 South LaSalle Street
Chicago, IL 60697
312–828–2345
CEO: John E Swearingen
Bank–multinational

Control Data
PO Box O
Minneapolis, MN 55440
612–853–8100
CEO: Robert M Price
Computers

Cooper Industries
PO Box 4446
Houston, TX 77210
713–739–5400
CEO: Robert Cizik
Heavy equipment–industrial
Electrical equipment

Adolph Coors
Golden, CO 80401
303–279–6565
CEO: William K Coors
Beverages–alcoholic

CoreStates Financial
PO Box 7618
Philadelphia, PA 19101–7618
215–629–3100
CEO: G Morris Dorrance Jr
Bank–Mid-Atlantic

Corning Glass Works
Houghton Park
Corning, NY 14831
607–974–9000
CEO: James R Houghton
Electronic equipment
Health–medical supplies/Home furnishings

CPC International
PO Box 8000
Englewood Cliffs, NJ 07632
201–894–4000
CEO: James R Eiszner
Food processor–branded foods
Food processor–commodities

Cray Research
608 Second Avenue South
Minneapolis, MN 55402
612–333–5889
CEO: John A Rollwagen
Computers

CrossLand Savings FSB
211 Montague Street
Brooklyn, NY 11201
718–780–0400
CEO: Maurice L Reissman
Thrift institution

Crown Cork & Seal
9300 Ashton Road
Philadelphia, PA 19136
215–698–5100
CEO: John F Connelly
Packaging

CSX
PO Box C–32222
Richmond, VA 23261
804–782–1400
CEO: Hays T Watkins
Railroads
Natural gas–prod & pipelines

Cullen/Frost Bankers
PO Box 1600
San Antonio, TX 78296
512–220–4011
CEO: Thomas C Frost
Bank–South central

Cummins Engine
Box 3005
Columbus, IN 47202–3005
812–377–5000
CEO: Henry B Schacht
Automotive parts

Where to find The Forbes 500s

Cyclops
650 Washington Road
Pittsburgh, PA 15228
412–343–4000
CEO: William H Knoell
Metals–steel

Dana
PO Box 1000
Toledo, OH 43697
419–535–4500
CEO: Gerald B Mitchell
Automotive parts

Data General
4400 Computer Drive
Westboro, MA 01580
617–366–8911
CEO: Edson D de Castro
Computers

Dauphin Deposit
PO Box 2961
Harrisburg, PA 17105
717–255–2121
CEO: William J King
Bank–Mid-Atlantic

Dayton-Hudson
777 Nicollet Mall
Minneapolis, MN 55402
612–370–6948
CEO: Kenneth A Macke
Retailing–discount & variety stores

DCNY Corp
58 Pine Street
New York, NY 10005
212–248–8900
CEO: Ralph F Peters
Financial company

Dean Foods
3600 North River Road
Franklin Park, IL 60131
312–625–6200
CEO: Kenneth J Douglas
Food processor–branded foods

Deere
John Deere Road
Moline, IL 61265
309–752–8000
CEO: Robert A Hanson
Heavy equipment–agricultural

Delmarva Power & Light
PO Box 231
Wilmington, DE 19899
302–429–3011
CEO: Nevius M Curtis
Electric utility–Northeast

Delta Air Lines
Atlanta Airport
Atlanta, GA 30320
404–765–2600
CEO: David C Garrett jr
Air transport–passenger

Deluxe Check Printers
PO Box 64399
St Paul, MN 55164–0399
612–483–7111
CEO: Harold V Haverty
Publishing

Deposit Guaranty
PO Box 1200
Jackson, MS 39215–1200
601–354–8564
CEO: Emerson B Robinson Jr
Bank–South central

Detroit Edison
2000 Second Avenue
Detroit, MI 48226
313–237–8000
CEO: Walter J McCarthy Jr
Electric utility–North central

Diamond Shamrock
717 North Harwood Street
Dallas, TX 75201
214–922–2000
CEO: Charles L Blackburn
Oil–other oil & gas

Digital Equipment
146 Main Street
Maynard, MA 01754
617–493–5111
CEO: Kenneth H Olsen
Computers

Dillard Department Stores
PO Box 486
Little Rock, AR 72201
501–376–5200
CEO: William T Dillard Sr
Retailing–department stores

Dime Savings Bank of New York FSB
1225 Franklin Avenue
Garden City, NY 11530
516–351–1550
CEO: Harry W Albright Jr
Thrift institution

Walt Disney
500 South Buena Vista Street
Burbank, CA 91521
818–840–1000
CEO: Michael D Eisner
Entertainment

Dominion Bankshares
PO Box 13327
Roanoke, VA 24040
703–563–7000
CEO: Warner N Dalhouse
Bank–Mid-Atlantic

Dominion Resources
PO Box 26532
Richmond, VA 23261
804–775–5700
CEO: William W Berry
Electric utility–Southeast

RR Donnelley & Sons
2223 Martin Luther King Drive
Chicago, IL 60616
312–326–8000
CEO: John B Schwemm
Publishing

Dover
277 Park Avenue
New York, NY 10172
212–826–7160
CEO: Gary L Roubos
Conglomerate
Commercial builder

Dow Chemical
2030 Willard H Dow Center
Midland, MI 48674
517–636–1000
CEO: Paul F Oreffice
Chemicals–diversified

Dow Jones
200 Liberty Street
New York, NY 10281
212–416–2000
CEO: Warren H Phillips
Publishing

Downey Savings & Loan Assn
PO Box 6000
Costa Mesa, CA 92626
714–549–8811
CEO: Gerald H McQuarrie
Thrift institution

DPL
Courthouse Plaza Southwest
Dayton, OH 45402
513–224–6000
CEO: Peter H Forster
Electric utility–North central
Natural gas–distributor

Dresser Industries
PO Box 718
Dallas, TX 75221
214–740–6000
CEO: John J Murphy
Heavy equipment–industrial
Oilfield services

Dreyfus
767 Fifth Avenue
New York, NY 10153
212–715–6000
CEO: Howard Stein
Financial company

El du Pont de Nemours
1007 Market Street
Wilmington, DE 19898
302–774–1000
CEO: Richard E Heckert
Chemicals–diversified
Oil–international

Duke Power
PO Box 33189
Charlotte, NC 28242
704–373–4011
CEO: William S Lee
Electric utility–Southeast

Where to find The Forbes 500s

Dun & Bradstreet
299 Park Avenue
New York, NY 10171
212–593–6800
CEO: Charles W Moritz
Publishing
Media services

Duquesne Light
One Oxford Centre
Pittsburgh, PA 15279
412–393–6000
CEO: Wesley W von Shack
Electric utility–North central

E-Systems
PO Box 660248
Dallas, TX 75266–0248
214–661–1000
CEO: John W Dixon
Aerospace & defense

Eastman Kodak
343 State Street
Rochester, NY 14650
716–724–4000
CEO: Colby H Chandler
Photography

Eaton
Eaton Center
Cleveland, OH 44114
216–523–5000
CEO: James R Stover
Electronic equipment
Automotive parts

Echlin
100 Double Beach Road
Branford, CT 06405
203–481–5751
CEO: Frederick J Mancheski
Automotive parts

El Paso Electric
PO Box 982
El Paso, TX 79960
915–543–5711
CEO: Evern R Wall
Electric utility–South central

Emerson Electric
8000 West Florissant Avenue
St Louis, MO 63136
314–553–2000
CEO: Charles F Knight
Electrical equipment
Appliances

Emhart
PO Box 2730
Hartford, CT 06101
203–678–3000
CEO: Peter L Scott
Heavy equipment–industrial
Construction materials

Empire of America FSB
One Main Place
Buffalo, NY 14202–3771
716–845–7000
CEO: Paul A Willax
Thrift institution

Engelhard
Menlo Park CN–40
Edison, NJ 08818
201–632–6000
CEO: Orin R Smith
Metals–nonferrous
Chemicals–specialized

Enron (formerly InterNorth)
PO Box 1188
Houston, TX 77251–1188
713–853–6161
CEO: Kenneth L Lay
Natural gas–prod & pipelines

Enserch
300 South St Paul Street
Dallas, TX 75201
214–651–8700
CEO: William C McCord
Natural gas–integrated
Commercial builder

Entex
PO Box 2628
Houston, TX 77252–2628
713–654–5100
CEO: Jackson C Hinds
Natural gas–distributor
Thrift institution

Equitable Bancorporation
100 South Charles Street
Baltimore, MD 21201
301–547–4000
CEO: H Grant Hathaway
Bank–Mid Atlantic

Ethyl
PO Box 2189
Richmond, VA 23217
804–788–5000
CEO: Floyd D Gottwald Jr
Chemicals–specialized
Insurance–life & health

Exxon
1251 Avenue of the Americas
New York, NY 10020–1198
212–333–1000
CEO: Lawrence G Rawl
Oil–international

Far West Financial
4001 MacArthur Boulevard
Newport Beach, CA 92660
714–833–8585
CEO: William Belzberg
Thrift institution

Farm & Home Savings Assn
PO Box 1893
Nevada, MO 64772
417–667–3333
CEO: Donald F Roby
Thrift institution

Farmers Group
4680 Wilshire Boulevard
Los Angeles, CA 90010
213–932–3200
CEO: Leo E Denlea Jr
Insurance–diversified

Federal Co
PO Box 17236
Memphis, TN 38187–0236
901–761–3610
CEO: R Lee Taylor II
Food processor–meatpacking
Food processor–commodities

Federal Express
PO Box 727
Memphis, TN 38194–1711
901–369–3600
CEO: Frederick W Smith
Air transport–freight

Federal National Mortgage Assn
3900 Wisconsin Avenue NW
Washington, DC 20016
202–537–7000
CEO: David O Maxwell
Financial company

Federated Department Stores
7 West Seventh Street
Cincinnati, OH 45202
513–579–7000
CEO: Howard Goldfeder
Retailing–department stores

Fidelcor
Broad & Walnut Streets
Philadelphia, PA 19109
215–985–6000
CEO: Harold W Pote
Bank–Mid Atlantic

Fifth Third Bancorp
38 Fountain Square Plaza
Cincinnati, OH 45263
513–579–5300
CEO: Clement L Buenger
Bank–North central

Financial Corp of America
PO Box 19689
Irvine, CA 92713–9689
714–553–6900
CEO: William J Popejoy
Thrift institution

Financial Corp of Santa Barbara
PO Box 1109
Santa Barbara, CA 93102–1109
805–682–2300
CEO: Philip R Brinkerhoff
Thrift institution

Fireman's Fund
777 San Marin Drive
Novato, CA 94998
415–899–2000
CEO: John J Byrne
Insurance–property & casualty

Firestone Tire & Rubber
1200 Firestone Parkway
Akron, OH 44317
216–379–7000
CEO: John J Nevin
Tire & rubber

Where to find The Forbes 500s

First Alabama Bancshares
PO Box 1448
Montgomery, AL 36102
205–832–8011
CEO: Willard L Hurley
Bank–Southeast

First American
First American Center
Nashville, TN 37237
615–748–2100
CEO: Kenneth L Roberts
Bank–Southeast

First Bank System
PO Box 522
Minneapolis, MN 55480
612–370–5100
CEO: Dewalt H Ankeny Jr
Bank–North central

First Boston
Park Avenue Plaza
New York, NY 10055
212–909–2000
CEO: Peter T Buchanan
Brokerage house

First Capital
PO Box 291
Jackson, MS 39205–0291
601–354–5111
CEO: Frank R Day
Bank–South central

First Chicago
One First National Plaza
Chicago, IL 60670
312–732–4000
CEO: Barry F Sullivan
Bank–multinational

First Citizens BancShares
PO Box 151
Raleigh, NC 27602
919–755–7000
CEO: Lewis R Holding
Bank–Southeast

First City Bancorporation of Texas
PO Box 2387
Houston, TX 77252
713–658–6011
CEO: James A Elkins Jr
Bank–South central

First Columbia Financial
PO Box 17127
Denver, CO 80217–0127
303–773–3444
CEO: Bob R Baker
Thrift institution

First Commerce
PO Box 60279
New Orleans, LA 70160
504–561–1371
CEO: Ian Arnof
Bank–South central

First Empire State
One M&T Plaza
Buffalo, NY 14240
716–842–5445
CEO: Robert G Wilmers
Bank–Northeast

First Executive
PO Box 6090
Inglewood, CA 90312–6090
213–312–1000
CEO: Fred Carr
Insurance–life & health

First Federal of Michigan
1001 Woodward Avenue
Detroit, MI 48226
313–965–1400
CEO: James A Aliber
Thrift institution

First Fidelity Bancorp
550 Broad Street
Newark, NJ 07192
201–565–3200
CEO: Robert R Ferguson Jr
Bank–Mid-Atlantic

First Florida Banks
PO Box 1810
Tampa, FL 33601
813–224–1111
CEO: A Bronson Thayer
Bank–Southeast

First Hawaiian
PO Box 3200
Honolulu, HI 96847
808–525–7000
CEO: John D Bellinger
Bank–West

First Interstate Bancorp
PO Box 54068
Los Angeles, CA 90054
213–614–3001
CEO: Joseph J Pinola
Bank–West

First Jersey National
2 Montgomery Street
Jersey City, NJ 07302
201–547–7000
CEO: Thomas J Stanton Jr
Bank–Mid-Atlantic

First Kentucky National
PO Box 36000
Louisville, KY 40233
502–581–4200
CEO: A Stevens Miles
Bank–Southeast

First Maryland Bancorp
25 South Charles Street
Baltimore, MD 21201
301–244–4000
CEO: Charles W Cole Jr
Bank–Mid-Atlantic

First National Cincinnati
425 Walnut Street
Cincinnati, OH 45202
513–632–4000
CEO: Oliver W Waddell
Bank–North central

First of America Bank
108 East Michigan Avenue
Kalamazoo, MI 49007
616–383–9000
CEO: Daniel R Smith
Bank–North central

First Pennsylvania
Centre Square Building
Philadelphia, PA 19101
215–786–5000
CEO: George A Butler
Bank–Mid-Atlantic

First Security
PO Box 30006
Salt Lake City, UT 84130
801–350–6000
CEO: Spencer F Eccles
Bank–West

First Tennessee National
PO Box 84
Memphis, TN 38101
901–523–4444
CEO: Ronald Terry
Bank–Southeast

First Union
First Union Plaza
Charlotte, NC 28288
704–374–6565
CEO: Edward E Crutchfield Jr
Bank–Southeast

First Virginia Banks
6400 Arlington Boulevard
Falls Church, VA 22046
703–241–4000
CEO: Robert H Zalokar
Bank–Mid-Atlantic

First Wachovia
PO Box 3099
Winston-Salem, NC 27150
919–770–5000
CEO: John G Medlin Jr
Bank–Southeast

First Wisconsin
PO Box 532
Milwaukee, WI 53201
414–765–4321
CEO: Hal C Kuehl
Bank–North central

Fischbach
485 Lexington Avenue
New York, NY 10017
212–986–4100
CEO: Alfred R Manville
Commercial builder

Where to find The Forbes 500s

Fleet Financial Group
50 Kennedy Plaza
Providence, RI 02903
401–278–5800
CEO: J Terrence Murray
Bank–Northeast

Fleming Cos
PO Box 26647
Oklahoma City, OK 73126–0647
405–840–7200
CEO: Richard D Harrison
Food distributor–wholesale

Florida Federal Savings & Loan Assn
PO Box 1509
St Petersburg, FL 33731
813–893–1131
CEO: Eric Stattin
Thrift institution

Florida National Banks of Florida
PO Box 689
Jacksonville, FL 32201–0689
904–359–5111
CEO: John D Uible
Bank–Southeast

Florida Progress
270 First Avenue South
St Petersburg, FL 33701
813–895–1700
CEO: Andrew H Hines Jr
Electric utility–Southeast

Fluor
3333 Michelson Drive
Irvine, CA 92730
714–975–2000
CEO: David S Tappan Jr
Commercial builder

FMC
200 East Randolph Drive
Chicago, IL 60601
312–861–6000
CEO: Robert H Malott
Aerospace & defense
Chemicals–diversified

Food Lion
PO Box 1330
Salisbury, NC 28145–1330
704–633–8250
CEO: Tom Smith
Supermarkets–regional

Ford Motor
PO Box 1899
Dearborn, MI 48121
313–322–3000
CEO: Donald E. Petersen
Automobiles & trucks

Fort Howard Paper
PO Box 19130
Green Bay, WI 54307–9130
414–435–8821
CEO: Paul J Schierl
Paper
Packaging

Foster Wheeler
110 South Orange Avenue
Livingston, NJ 07039
201–533–1100
CEO: Louis E Azzato
Heavy equipment–industrial
Commercial builder

Fourth Financial
PO Box 4
Wichita, KS 67201
316–261–4444
CEO: Jordan L Haines
Bank–North central

FPL Group
PO Box 08801
No Palm Beach, FL 33408–8801
305–694–6300
CEO: Marshall McDonald
Electric utility–Southeast
Insurance–diversified

Freeport-McMoRan
1615 Poydras Street
New Orleans, LA 70112
504–582–4000
CEO: James R Mottett
Chemicals–specialized
Oil–other oil & gas

GAF
1361 Alps Road
Wayne, NJ 07470
201–628–3000
CEO: Samuel J Heyman
Chemicals–specialized
Construction materials

Gannett
PO Box 7858
Washington, DC 20044
703–284–6000
CEO: John J Curley
Publishing

Gap
PO Box 60
San Bruno, CA 94066
415–952–4400
CEO: Donald G Fisher
Retailer–apparel

Geico
Geico Plaza
Washington, DC 20076
301–986–3000
CEO: William B Snyder
Insurance–property & casualty

GenCorp
175 Ghent Road
Akron, OH 44313
216–798–3000
CEO: A William Reynolds
Tire & rubber
Aerospace & defense

Genentech
460 Point San Bruno Boulevard
South San Francisco, CA 94080
415–266–1000
CEO: Robert A Swanson
Health–drugs

General Cinema
27 Boylston Street
Chestnut Hill, MA 02167
617–232–8200
CEO: Richard A Smith
Beverages–soft drinks
Entertainment

General Dynamics
Pierre Laclede Center
St Louis, MO 63105
314–889–8200
CEO: Stanley C Pace
Aerospace & defense

General Electric
3135 Easton Turnpike
Fairfield, CT 06431
203–373–2211
CEO: John F Welch Jr
Electrical equipment
Appliances/Aerospace & defense

General Mills
PO Box 1113
Minneapolis, MN 55440
612–540–2311
CEO: H Brewster Atwater Jr
Food processor–branded foods
Restaurant chain

General Motors
3044 West Grand Boulevard
Detroit, MI 48202
313–556–5000
CEO: Roger B Smith
Automobiles & trucks

General Public Utilities
100 Interpace Parkway
Parsippany, NJ 07054–1149
201–263–6500
CEO: William G Kuhns
Electric utility–Northeast

General Re
PO Box 10351
Stamford, CT 06904–2351
203–328–5000
CEO: Frank W Munson
Insurance–diversified

General Signal
PO Box 10010
Stamford, CT 06904
203–357–8800
CEO: David T Kimball
Electronic equipment
Electrical equip/Heavy equip–industrial

Genuine Parts
2999 Circle 75 Parkway
Atlanta, GA 30339
404–953–1700
CEO: Wilton Looney
Retailing–miscellaneous

Georgia-Pacific
133 Peachtree Street NE
Atlanta, GA 30303
404–521–4000
CEO: T Marshall Hahn Jr
Lumber
Paper

Where to find The Forbes 500s

Giant Food
PO Box 1804
Washington, DC 20013
301–341–4100
CEO: Israel Cohen
Supermarkets–regional

Gibraltar Financial
9111 Wilshire Boulevard
Beverly Hills, CA 90210–5555
213–278–8720
CEO: Herbert I Young
Thrift institution

Gillette
Prudential Tower Building
Boston, MA 02199
617–421–7000
CEO: Colman M Mockler Jr
Personal products

GlenFed
PO Box 1709
Glendale, CA 91209
818–500–2000
CEO: Raymond D Edwards
Thrift institution

Golden West Financial
1901 Harrison Street
Oakland, CA 94612
415–446–6000
CEO: Herbert M Sandler
Thrift institution

BF Goodrich
3925 Embassy Parkway
Akron, OH 44313
216–374–2000
CEO: John D Ong
Chemicals–specialized
Tire & rubber

Goodyear Tire & Rubber
1144 East Market Street
Akron, OH 44316–0001
216–796–2121
CEO: Robert E Mercer
Tire & rubber

WR Grace
1114 Avenue of the Americas
New York, NY 10036–7794
212–819–5500
CEO: J Peter Grace
Chemicals–specialized

WW Grainger
5500 West Howard Street
Skokie, IL 60077
312–982–9000
CEO: David W Grainger
Electrical equipment

Great American First Savings
600 B Street
San Diego, CA 92183
619–231–1885
CEO: Gordon C Luce
Thrift institution

Great Atlantic & Pacific Tea
2 Paragon Drive
Montvale, NJ 07645
201–573–9700
CEO: James Wood
Supermarkets–major

Great Lakes Federal Savings & Loan
PO Box 8600
Ann Arbor, MI 48107
313–769–8300
CEO: Roy E Weber
Thrift institution

Great Northern Nekoosa
PO Box 9309
Stamford, CT 06904
203–359–4000
CEO: William R Laidig
Paper

Great Western Financial
8484 Wilshire Boulevard
Beverly Hills, CA 90211
213–852–3411
CEO: James F Montgomery
Thrift institution

Greyhound
Greyhound Tower
Phoenix, AZ 85077
602–248–4000
CEO: John W Teets
Shipping
Personal products

Grumman
1111 Stewart Avenue
Bethpage, NY 11714–3580
516–575–0574
CEO: John C Bierwirth
Aerospace & defense

GTE
One Stamford Forum
Stamford, CT 06904
203–965–2000
CEO: Theodore F Brophy
Telecomm–carrier

Guarantee Financial Corp of California
1177 Fulton Mall
Fresno, CA 93721
209–438–3000
CEO: Lewis S Eaton
Thrift institution

Gulf & Western
One Gulf & Western Plaza
New York, NY 10023–7780
212–373–8000
CEO: Martin S Davis
Financial company
Entertainment/Publishing

Gulf States Utilities
PO Box 2951
Beaumont, TX 77704
409–838–6631
CEO: Dr E Linn Draper
Electric utility–South central

Halliburton
500 North Akard Street
Dallas, TX 75201–3391
214–978–2600
CEO: Thomas H Cruikshank
Oilfield services
Commercial builder

Hanover Insurance Cos
100 North Parkway
Worcester, MA 01605
617–853–7200
CEO: William J O'Brien
Insurance–property & casualty

Harcourt Brace Jovanovich
Orlando, FL 32887
305–345–2000
CEO: William Jovanovich
Publishing

Harris Corp
1025 West NASA Boulevard
Melbourne, FL 32919
305–727–9100
CEO: John T Hartley
Aerospace & defense
Computers

Hartford National
777 Main Street
Hartford, CT 06115
203–728–2000
CEO: Joel B Alvord
Bank–Northeast

Hasbro
PO Box 1059
Pawtucket, RI 02862–1059
401–727–5000
CEO: Stephen D Hassenfeld
Toys & electronics

HJ Heinz
PO Box 57
Pittsburgh, PA 15230–0057
412–456–5700
CEO: Anthony F E O'Reilly
Food processor–branded foods

Henley Group
11255 North Torrey Pines Road
La Jolla, CA 92037
619–455–9494
CEO: Michael D Dingman
Commercial builder
Chemicals–diversified/Health–med supplies

Hercules
Hercules Plaza
Wilmington, DE 19894
302–594–5000
CEO: Alexander F Giacco
Chemicals–diversified
Aerospace & defense

Hershey Foods
100 Mansion Road East
Hershey, PA 17033
717–534–4000
CEO: Richard A Zimmerman
Food processor–branded foods

Where to find The Forbes 500s

Hewlett-Packard
3000 Hanover Street
Palo Alto, CA 94304
415–857–1501
CEO: John A Young
Computers

Hibernia
PO Box 61540
New Orleans, LA 70161
504–586–5552
CEO: Martin C Miler
Bank–South central

Hillenbrand Industries
Highway 46
Batesville, IN 47006
812–934–7000
CEO: Daniel A Hillenbrand
Personal products
Health–medical supplies

Hilton Hotels
9336 Civic Center Drive
Beverly Hills, CA 90210
213–278–4321
CEO: Barron Hilton
Hotels & gaming

Holiday Corp
1023 Cherry Road
Memphis, TN 38117
901–762–8600
CEO: Michael D Rose
Hotels & gaming

Home Federal Savings & Loan
625 Broadway
San Diego, CA 92101
619–699–8000
CEO: Kim Fletcher
Thrift institution

Home Group
59 Maiden Lane
New York, NY 10038
212–530–7300
CEO: Marshall Manley
Insurance–property & casualty

Home Shopping Network
1529 US Highway 19 South
Clearwater, FL 33546
813–530–9455
CEO: Roy M Speer
Retailing–miscellaneous

Homestake Mining
650 California Street
San Francisco, CA 94108–2788
415–981–8150
CEO: Harry M Conger
Metals–nonferrous

Homestead Financial
1777 Murchison Drive
Burlingame, CA 94010
415–692–1432
CEO: Lawrence Weissberg
Thrift institution

Honeywell
PO Box 524
Minneapolis, MN 55440
612–870–5200
CEO: Edson W Spencer
Electronic equipment
Computers/Aerospace & defense

Horizon Bancorp
225 South Street
Morristown, NJ 07960
201–539–7700
CEO: William J Shepherd
Bank–Mid-Atlantic

Howard Savings Bank
PO Box 1648
Newark, NJ 07101-1648
201–430–2000
CEO: Donald F McCormick
Thrift institution

Humana
PO Box 1438
Louisville, KY 40201–1438
502–580–1000
CEO: David A Jones
Health–services

Huntington Bancshares
41 South High Street
Columbus, OH 43287
614–476–8300
CEO: Frank Wobst
Bank–North central

EF Hutton Group
31 West 52nd Street
New York, NY 10019
212–969–5300
CEO: Robert P Rittereiser
Brokerage house
Insurance–life & health

IC Industries
111 East Wacker Drive
Chicago, IL 60601
312–565–3000
CEO: William B Johnson
Conglomerate
Food processor–branded foods

ICH
4211 Norbourne Boulevard
Louisville, KY 40207
502–897–1861
CEO: Robert T Shaw
Insurance–life & health

Idaho Power
PO Box 70
Boise, ID 83707
208–383–2200
CEO: Robert J O'Connor
Electric utility–West

Illinois Power
500 South 27th Street
Decatur, IL 62525
217–424–6600
CEO: Wendell J Kelley
Electric utility–North central
Natural gas–distributor

Illinois Tool Works
8501 West Higgins Road
Chicago, IL 60631–2887
312–693–3040
CEO: John D Nichols
Heavy equipment–industrial

Imperial Corp of America
PO Box 23036
San Diego, CA 92123–0036
619–292–3900
CEO: Kenneth J Thygerson
Thrift institution

IMS International
800 Third Avenue
New York, NY 10022
212–371–2310
CEO: Robert Louis Dreyfus
Media services

Indiana National
One Indiana Square
Indianapolis, IN 46266
317–266–6000
CEO: Thomas M Miller
Bank–North central

Ingersoll-Rand
200 Chestnut Ridge Road
Woodcliff Lake, NJ 07675
201–573–0123
CEO: Thomas A Holmes
Heavy equipment–industrial

Inland Steel Industries
30 West Monroe Street
Chicago, IL 60603
312–346–0300
CEO: Frank W Luerssen
Metals–steel

Where to find The Forbes 500s

Integrated Resources
666 Third Avenue
New York, NY 10017
212–551–6000
CEO: Selig A Zises
Financial company
Insurance–life & health

Intel
3065 Bowers Avenue
Santa Clara, CA 95051–8126
408–987–8080
CEO: Gordon E Moore
Semiconductors

Interco
101 South Hanley Road
St Louis, MO 63105
314–863–1100
CEO: Harvey Saligman
Apparel manufacturer
Home furnishings

InterFirst
PO Box 83000
Dallas, TX 75283–1000
214–977–3333
CEO: Robert H Stewart III
Bank–South central

Intergraph
One Madison Industrial Park
Huntsville, AL 35807–4201
205–772–2000
CEO: James W Meadlock
Computers

International Business Machines
Old Orchard Road
Armonk, NY 10504
914–765–1900
CEO: John F Akers
Computers

International Flavors & Fragrances
521 West 57th Street
New York, NY 10019
212–765–5500
CEO: Eugene P Grisanti
Chemicals–specialized

International Minerals & Chemical
2315 Sanders Road
Northbrook, IL 60062
312–564–8600
CEO: George D Kennedy
Chemicals–specialized

International Multifoods
Box 2942
Minneapolis, MN 55402
612–340–3300
CEO: Andre Gillet
Food processor–commodities
Food processor–branded foods

International Paper
77 West 45th Street
New York, NY 10036
212–536–6000
CEO: John A Georges
Packaging
Paper

Iowa-Illinois Gas & Electric
206 East Second Street
Davenport, IA 52801
319–326–7111
CEO: Barry C O'Brien
Natural gas–distributor
Electric utility–North central

Ipalco Enterprises
PO Box 1595B
Indianapolis, IN 46206
317–261–8261
CEO: Zane G Todd
Electric utility–North central

Irving Bank
One Wall Street
New York, NY 10005
212–635–1111
CEO: Joseph A Rice
Bank–multinational

ITT
320 Park Avenue
New York, NY 10022
212–752–6000
CEO: Rand V Araskog
Conglomerate
Insurance–diversified/Telecomm–manufacturer

IU International
919 North Market Street
Wilmington, DE 19801
302–571–5000
CEO: John Gilray Christy
Conglomerate
Trucking & leasing

James River Corp of Virginia
PO Box 2218
Richmond, VA 23217
804–644–5411
CEO: Brenton S Halsey
Paper
Packaging

Jefferson-Pilot
PO Box 21008
Greensboro, NC 27420
919–378–2011
CEO: W Roger Soles
Insurance–life & health

Jim Walter
PO Box 22601
Tampa, FL 33622
813–871–4811
CEO: Joe B Cordell
Conglomerate
Construction materials

Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933
201–524–0400
CEO: James E Burke
Personal products
Health–medical supplies

Johnson Controls
PO Box 591
Milwaukee, WI 53201
414–228–1200
CEO: Fred L Brengel
Industrial services
Automotive parts

K mart
3100 West Big Beaver Road
Troy, MI 48084
313–643–1000
CEO: Bernard M Fauber
Retailing–discount & variety stores

Kaiser Aluminum & Chemical
300 Lakeside Drive
Oakland, CA 94643
415–271–3300
CEO: Cornell C Maier
Metals–nonferrous

Kansas City Power & Light
1330 Baltimore Avenue
Kansas City, MO 64105
816–556–2200
CEO: Arthur J Doyle
Electric utility–North central

Kansas Gas & Electric
PO Box 208
Wichita, KS 67201
316–261–6611
CEO: Wilson K Cadman
Electric utility–North central

Kansas Power & Light
PO Box 889
Topeka, KS 66601
913–296–6300
CEO: William E Wall
Natural gas–distributor
Electric utility–North central

Kaufman & Broad
11601 Wilshire Boulevard
Los Angeles, CA 90025–1748
213–312–5000
CEO: Eli Broad
Insurance–life & health
Residential builder

Kellogg
PO Box 3599
Battle Creek, MI 49016–3599
616–961–2000
CEO: William E LaMothe
Food processor–branded foods

Kemper
Kemper Center
Long Grove, IL 60049–0001
312–540–2527
CEO: Joseph E Luecke
Insurance–diversified

Kentucky Utilities
One Quality Street
Lexington, KY 40507
606–255–1461
CEO: William B Bechanan
Electric utility–Southeast

Kerr-McGee
PO Box 25861
Oklahoma City, OK 73125
405–270–1313
CEO: Frank A McPherson
Oil–other oil & gas

Where to find The Forbes 500s

KeyCorp
60 State Street
Albany, NY 12207
518–447–3500
CEO: Victor J Riley Jr
Bank–Northeast

Kidde
Park 80 West Plaza 2
Saddle Brook, NJ 07662
201–368–9000
CEO: Fred R Sullivan
Conglomerate
Home furnishings

Kimberly-Clark
PO Box 619100
Dallas, TX 75261–9100
214–830–1200
CEO: Darwin E Smith
Personal products
Paper

Knight-Ridder
One Herald Plaza
Miami, FL 33132–1693
305–376–3800
CEO: Alvah H Chapman Jr
Publishing

Koppers
Koppers Building
Pittsburgh, PA 15219
412–227–2000
CEO: Charles R Pullin
Construction materials
Chemicals–specialized

Kraft (formerly Dart & Kraft)
Kraft Court
Glenview, IL 60025
312–998–2000
CEO: John M Richman
Food processor–branded foods

Kroger
1014 Vine Street
Cincinnati, OH 45201
513–762–4000
CEO: Lyle Everingham
Supermarkets–major

Leaseway Transportation
3700 Park East Drive
Cleveland, OH 44122
216–765–5500
CEO: Gerald C McDonough
Trucking & leasing

Liberty National Bancorp (formerly Liberty United Bancorp)
PO Box 32500
Louisville, KY 40232
502–566–2000
CEO: Frank B Hower Jr
Bank–Southeast

Life Investors
4333 Edgewood Road NE
Cedar Rapids, IA 52499
319–398–8511
CEO: Robert D Ray
Insurance–life & health

Eli Lilly
Lilly Corporate Center
Indianapolis, IN 46285
317–276–2000
CEO: Richard D Wood
Health–drugs

Limited
PO Box 16528
Columbus, OH 43216
614–475–4000
CEO: Leslie H Wexner
Retailing–apparel

LIN Broadcasting
1370 Avenue of the Americas
New York, NY 10019
212–765–1902
CEO: Donald A Pels
Broadcasting

Lincoln National
PO Box 1110
Fort Wayne, IN 46801
219–427–2000
CEO: Ian M Rolland
Insurance–diversified

Litton Industries
360 North Crescent Drive
Beverly Hills, CA 90210–9990
213–859–5000
CEO: Orion L Hoch
Conglomerate
Aerospace & defense

Liz Claiborne
1441 Broadway
New York, NY 10018
212–354–4900
CEO: Elisabeth C Ottenberg
Apparel manufacturer

Lockheed
4500 Park Granada Boulevard
Calabasas, CA 91399
818–712–2000
CEO: Lawrence O Kitchen
Aerospace & defense

Loews
666 Fifth Avenue
New York, NY 10103
212–841–1000
CEO: Laurence A Tisch
Insurance–diversified
Tobacco

Lomas & Nettleton Financial
PO Box 655644
Dallas, TX 75265–5644
214–746–7111
CEO: Jess T Hay
Financial company

Lone Star Industries
PO Box 5050
Greenwich, CT 06836
203–661–3100
CEO: James E Stewart
Cement & gypsum

Long Island Lighting
175 East Old Country Road
Hicksville, NY 11801
516–933–4590
CEO: William J Catacosinos
Electric utility–Northeast

Longs Drug Stores
PO Box 5222
Walnut Creek, CA 94596
415–937–1170
CEO: Robert M Long
Retailing–drugstores

Loral
600 Third Avenue
New York, NY 10016
212–697–1105
CEO: Bernard L Schwartz
Aerospace & defense

Louisiana Bancshares
PO Box 1511
Baton Rouge, LA 70821
504–389–4206
CEO: Charles W McCoy
Bank–South central

Louisiana-Pacific
111 Southwest Fifth Avenue
Portland, OR 97204
503–221–0800
CEO: Harry A Merlo
Lumber

Louisville Gas & Electric
PO Box 32010
Louisville, KY 40232
502–566–4011
CEO: Robert L Royer
Electric utility–Southeast
Natural gas–distributor

Lowe's Cos
Box 1111
No Wilkesboro, NC 28656–0001
919–651–4000
CEO: Leonard G Herring
Retailing–miscellaneous

LTV
PO Box 225003
Dallas, TX 75265–5003
214–979–7711
CEO: Raymond A Hay
Metals–steel
Aerospace & defense

Lubrizol
29400 Lakeland Boulevard
Wickliffe, OH 44092
216–943–4200
CEO: Lester E Coleman
Chemicals–specialized

Lucky Stores
PO Box BB
Dublin, CA 94568
415–833–6000
CEO: John M Lillie
Supermarkets–major

Where to find The Forbes 500s

Mack Trucks
PO Box M
Allentown, PA 18105–5000
215–439–3011
CEO: John B Curcio
Automobiles & trucks

Macmillan
866 Third Avenue
New York, NY 10022
212–702–2000
CEO: Edward P Evans
Publishing

Manufacturers Hanover
270 Park Avenue
New York, NY 10017
212–286–6000
CEO: John F McGillicuddy
Bank–multinational

Manufacturers National
Renaissance Center
Detroit, MI 48243
313–222–4000
CEO: Dean E Richardson
Bank–North central

Manville
PO Box 5108
Denver, CO 80217
303–978–2000
CEO: William T Stephens
Construction materials

Mapco
PO Box 645
Tulsa, OK 74101–0645
918–581–1800
CEO: James E Barnes
Oil–other oil & gas

Marine
PO Box 481
Milwaukee, WI 53201
414–765–3000
CEO: George R Slater
Bank–North central

Marine Midland Banks
140 Broadway
New York, NY 10015
212–440–1000
CEO: John R Petty
Bank–Northeast

Marion Laboratories
PO Box 8480
Kansas City, MO 64114
816–966–4000
CEO: Fred W Lyons Jr
Health–drugs

Marriott
One Marriott Drive
Washington, DC 20058
301–897–9000
CEO: J Willard Marriott Jr
Hotels & gaming
Food distributor–wholesale

Marsh & McLennan Cos
1221 Avenue of the Americas
New York, NY 10020
212–997–2000
CEO: Frank J Tasco
Insurance–broker

Marshall & Ilsley
770 North Water Street
Milwaukee, WI 53202
414–765–7801
CEO: John A Puelicher
Bank–North central

Martin Marietta
6801 Rockledge Drive
Bethesda, MD 20817
301–897–6000
CEO: Thomas G Pownall
Aerospace & defense

Maryland National
10 Light Street
Baltimore, MD 21202
301–244–5000
CEO: Alan P Hoblitzell Jr
Bank–Mid-Atlantic

Masco
21001 Van Born Road
Taylor, MI 48180
313–274–7400
CEO: Richard A Manoogian
Construction materials

May Department Stores
611 Olive Street
St Louis, MO 63101
314–342–6300
CEO: David C Farrell
Retailing–department stores

Maytag
Newton, IA 50208
515–792–7000
CEO: Daniel J Krumm
Appliances

MCA
100 Universal City Plaza
Universal City, CA 91608
818–777–1000
CEO: Lew R Wasserman
Entertainment

McDonald's
McDonald's Plaza
Oak Brook, IL 60521
312–575–3000
CEO: Michael R Quinlan
Restaurant chain

McDonnell Douglas
PO Box 516
St Louis, MO 63166
314–232–0232
CEO: Sanford N McDonnell
Aerospace & defense

McGraw-Hill
1221 Avenue of the Americas
New York, NY 10020
212–512–2000
CEO: Joseph L Dionne
Publishing

MCI Communications
1133 19th Street NW
Washington, DC 20036
202–872–1600
CEO: William G McGowan
Telecomm–carrier

McKesson
One Post Street
San Francisco, CA 94104
415–983–8300
CEO: Thomas W Field Jr
Health–drugs

MCorp
1807 Commerce Street
Dallas, TX 75201
214–698–5000
CEO: Gene H Bishop
Bank–South central

Mead
Courthouse Plaza Northeast
Dayton, OH 45463
513–222–6323
CEO: Burnell R Roberts
Paper
Packaging

Medtronic
7000 Central Avenue NE
Minneapolis, MN 55432–3576
612–574–4000
CEO: Winston R Wallin
Health–medical supplies

Mellon Bank
Mellon Bank Center
Pittsburgh, PA 15258
412–234–5000
CEO: J David Barnes
Bank–Mid-Atlantic

Melville
3000 Westchester Avenue
Harrison, NY 10528
914–253–8000
CEO: Francis C Rooney Jr
Retailing–apparel
Retailing–shoe stores

Mercantile Bancorporation
PO Box 524
St Louis, MO 63166
314–425–2525
CEO: Donald E Lasater
Bank–North central

Mercantile Bankshares
PO Box 1477
Baltimore, MD 21203
301–237–5900
CEO: H Furlong Baldwin
Bank–Mid-Atlantic

Where to find The Forbes 500s

Mercantile Stores
128 West 31st Street
New York, NY 10001
212–560–0500
CEO: Leon F Winbigler
Retailing–department stores

Merchants National
One Merchants Plaza
Indianapolis, IN 46255
317–267–7000
CEO: Otto N Frenzel III
Bank–North central

Merck
PO Box 2000
Rahway, NJ 07065–0909
201–574–4000
CEO: P Roy Vagelos
Health–drugs

Meridian Bancorp
PO Box 1102
Reading, PA 19603
215–320–2000
CEO: Samuel A McCullough
Bank–Mid-Atlantic

Meritor Financial Group
12 South 12th Street
Philadelphia, PA 19107
215–636–6000
CEO: Frederick S Hammer
Thrift institution

Merrill Lynch
165 Broadway
New York, NY 10080
212–637–7455
CEO: William A Schreyer
Brokerage house

Fred Meyer
3800 Southeast 22nd Avenue
Portland, OR 97202
503–232–8844
CEO: Oran B Robertson
Supermarkets–regional
Retailing–discount & variety stores

Michigan National
PO Box 9065
Farmington Hills, MI 48018
313–642–9001
CEO: Robert I Mylod
Bank–North central

Microsoft
Box 97017
Redmond, WA 98073–9717
206–882–8080
CEO: William H Gates III
Office products & services

Middle South Utilities
PO Box 61005
New Orleans, LA 70161
504–529–5262
CEO: Edwin A Lupberger
Electric utility–South central

Midlantic
PO Box 600
Edison, NJ 08818
201–321–8000
CEO: Robert Van Buren
Bank–Mid-Atlantic

Millipore
80 Ashby Road
Bedford, MA 01730
617–275–9200
CEO: John A Gilmartin
Health–medical supplies

Minnesota Mining & Manufacturing
3M Center
St Paul, MN 51444–1000
612–733–1110
CEO: Allen F Jacobson
Conglomerate

Minnesota Power
30 West Superior Street
Duluth, MN 55802
218–722–2641
CEO: Jack F Rowe
Electric utility–North central

Mobil
150 East 42nd Street
New York, NY 10017–5666
212–883–4242
CEO: Allen E Murray
Oil–international
Retailing–department stores

Molex
2222 Wellington Court
Lisle, IL 60532
312–969–4550
CEO: John H Krehbiel Jr
Electronic equipment

Monarch Capital
One Financial Plaza
Springfield, MA 01102–9002
413–781–3000
CEO: Gordon N Oakes Jr
Insurance–life & health

Monfort of Colorado
PO Box G
Greeley, CO 80632–0350
303–353–2311
CEO: Kenneth Monfort
Food processor–meatpacking

Monsanto
800 North Lindbergh Boulevard
St Louis, MO 63167
314–694–1000
CEO: Richard J Mahoney
Chemicals–diversified

Montana Power
40 East Broadway
Butte, MT 59701
406–723–5421
CEO: W Paul Schmechel
Electric utility–West
Natural gas–distributor/Coal

Moore Financial Group
PO Box 8247
Boise, ID 83733
208–383–7000
CEO: Daniel R Neilson
Bank–West

JP Morgan
23 Wall Street
New York, NY 10015
212–483–2323
CEO: Lewis T Preston
Bank–multinational

Morgan Stanley
1251 Avenue of the Americas
New York, NY 10020
212–703–4000
CEO: S Parker Gilbert
Brokerage house

Morrison-Knudsen
PO Box 73
Boise, ID 83707
208–386–8000
CEO: William J Deasy
Commercial builder

Morton Thiokol
110 North Wacker Drive
Chicago, IL 60606–1560
312–807–2000
CEO: Charles S Locke
Chemicals–specialized
Aerospace & defense

Motorola
1303 East Algonquin Road
Schaumburg, IL 60196
312–397–5000
CEO: William J Weisz
Telecomm–manufacturer
Semiconductors

Murphy Oil
200 Peach Street
El Dorado, AR 71730
501–862–6411
CEO: Robert J Sweeney
Oil–other oil & gas

Nalco Chemical
One Nalco Center
Naperville, IL 60566–1024
312–961–9500
CEO: Worley H Clark Jr
Chemicals–specialized

Nash Finch
3381 Gorham Avenue
St Louis Park, MN 55426
612–929–0371
CEO: Harold B Finch Jr
Food distributor–wholesale
Supermarkets–regional

National Bancshares Corp of Texas
PO Box 121
San Antonio, TX 78291
512–225–2511
CEO: Richard W Calvert
Bank–South central

Where to find The Forbes 500s

National City
1900 East Ninth Street
Cleveland, OH 44114–3484
216–575–2000
CEO: J Robert Killpack
Bank–North central

National Community Bank
24 Park Avenue
Rutherford, NJ 07070
201–84[illegible]1000
CEO: R[illegible]rt M Kossick
Bank–Mid-Atlantic

National Distillers & Chemical
99 Park Avenue
New York, NY 10016
212–949–5000
CEO: John H Stookey
Chemicals–diversified
Oil–other oil & gas

National Intergroup
20 Stanwix Street
Pittsburgh, PA 15222
412–394–4100
CEO: Howard M Love
Oil–other oil & gas
Health–drugs

National Medical Enterprises
11620 Wilshire Boulevard
Los Angeles, CA 90025
213–479–5526
CEO: Richard K Eamer
Health–services

National Semiconductor
PO Box 58090
Santa Clara, CA 95052–8090
408–721–5000
CEO: Charles E Sporck
Semiconductors
Electronic equipment

National Service Industries
1180 Peachtree Street NE
Atlanta, GA 30309
404–892–2400
CEO: Erwin Zaban
Electrical equipment
Industrial services

Navistar International
401 North Michigan Avenue
Chicago, IL 60611
312–836–2000
CEO: Donald D Lennox
Automobiles & trucks

NBD Bancorp
611 Woodward Avenue
Detroit, MI 48226
313–225–1000
CEO: Charles T Fisher III
Bank–North central

NCNB
One NCNB Plaza
Charlotte, NC 28255
704–374–5000
CEO: Hugh L McColl Jr
Bank–Southeast

NCR
1700 South Patterson Boulevard
Dayton, OH 45479
513–445–5000
CEO: Charles E Exley Jr
Computers

New England Electric System
25 Research Drive
Westborough, MA 01582
617–366–9011
CEO: Samuel Huntington
Electric utility–Northeast

New York State Electric & Gas
PO Box 287
Ithaca, NY 14851
607–729–2551
CEO: Wells P Allen Jr
Electric utility–Northeast

New York Times
229 West 43rd Street
New York, NY 10036
212–556–1234
CEO: Arthur Ochs Sulzberger
Publishing

Newmont Mining
200 Park Avenue
New York, NY 10166
212–953–6900
CEO: Gordon R Parker
Metals–nonferrous

Niagara Mohawk Power
300 Erie Boulevard West
Syracuse, NY 13202
315–474–1511
CEO: John G Haehl Jr
Electric utility–Northeast
Natural gas–distributor

Nicor
PO Box 200
Naperville, IL 60566–0200
312–242–4470
CEO: Richard G Cline
Natural gas–distributor

Nordstrom
1501 Fifth Avenue
Seattle, WA 98101
206–628–2111
CEO: Bruce A Nordstrom
Retailing–apparel

Norfolk Southern
One Commercial Place
Norfolk, VA 23510–2191
804–629–2600
CEO: Arnold B McKinnon
Railroads

Norstar Bancorp
One Norstar Plaza
Albany, NY 12207–2796
518–447–4043
CEO: Peter D Kiernan
Bank–Northeast

North American Philips
100 East 42nd Street
New York, NY 10017
212–697–3600
CEO: Cees Bruynes
Appliances
Electronic equipment

Northeast Bancorp
PO Box 700
Stamford, CT 06904–0700
203–348–6211
CEO: Frank J Kugler Jr
Bank–Northeast

Northeast Savings FA
50 State Street
Hartford, CT 06103
203–280–1000
CEO: Kent Dixon
Thrift institution

Northeast Utilities
PO Box 270
Hartford, CT 06141–0270
203–665–5000
CEO: William B Ellis
Electric utility–Northeast

Northern Indiana Public Service
5265 Hohman Avenue
Hammond, IN 46320
219–853–5200
CEO: Edmund A Schroer
Electric utility–North central
Natural gas–distributor

Northern States Power
414 Nicollet Mall
Minneapolis, MN 55401
612–330–5500
CEO: James J Howard
Electric utility–North central
Natural gas–distributor

Northern Trust
50 South LaSalle Street
Chicago, IL 60675
312–630–6000
CEO: Weston R Christopherson
Bank–North central

Northrop
1840 Century Park East
Los Angeles, CA 90067–2199
213–553–6262
CEO: Thomas V Jones
Aerospace & defense

Northwestern National Life Insurance
20 Washington Avenue South
Minneapolis, MN 55440
612–372–5432
CEO: John E Pearson
Insurance–life & health

Norwest
1200 Peavey Building
Minneapolis, MN 55479
612–372–8268
CEO: Lloyd P Johnson
Bank–North central

Where to find The Forbes 500s

NWA
Minneapolis/St Paul Airport
St Paul, MN 55111
612–726–2111
CEO: Steven G Rothmeier
Air transport–passenger

Nynex
335 Madison Avenue
New York, NY 10017
212–370–7400
CEO: Delbert C Staley
Telecomm–carrier

Occidental Petroleum
10889 Wilshire Boulevard
Los Angeles, CA 90024
213–879–1700
CEO: Armand Hammer
Oil–international
Food processor–meatpacking

Ogden
277 Park Avenue
New York, NY 10172
212–754–4000
CEO: Ralph E Ablon
Industrial services
Food processor–branded foods

Ohio Casualty
136 North Third Street
Hamilton, OH 45025
513–867–3000
CEO: John G Stoneker
Insurance–property & casualty

Ohio Edison
76 South Main Street
Akron, OH 44308
216–384–5100
CEO: Justin T Rogers Jr
Electric utility–North central

Oklahoma Gas & Electric
PO Box 321
Oklahoma City, OK 73101
405–272–3000
CEO: James G Harlow Jr
Electric utility–South central

Old Kent Financial
One Vandenberg Center
Grand Rapids, MI 49503
616–774–5000
CEO: John C Canepa
Bank–North central

Old Republic International
307 North Michigan Avenue
Chicago, IL 60601
312–346–8100
CEO: William R Stover
Insurance–diversified

Old Stone
180 South Main Street
Providence, RI 02903
401–278–2000
CEO: Theodore W Barnes
Bank–Northeast

Olin
PO Box 1355
Stamford, CT 06904–1355
203–356–2000
CEO: John M Henske
Chemicals–diversified

Owens-Corning Fiberglas
Fiberglas Tower
Toledo, OH 43659
419–248–8000
CEO: William W Boeschenstein
Construction materials

Paccar
PO Box 1518
Bellevue, WA 98009
206–455–7400
CEO: Charles M Pigott
Automobiles & trucks

Pacific First Financial
PO Box 1257
Tacoma, WA 98401
206–383–2511
CEO: James K Anderson
Thrift institution

Pacific Gas & Electric
77 Beale Street
San Francisco, CA 94106
415–781–4211
CEO: Richard A Clarke
Electric utility–West
Natural gas–distributor

Pacific Lighting
810 South Flower Street
Los Angeles, CA 90017
213–689–3481
CEO: Paul A Miller
Natural gas–integrated
Retailing–drugstores

Pacific Telesis Group
140 New Montgomery Street
San Francisco, CA 94105
415–882–8000
CEO: Donald E Guinn
Telecomm–carrier

PacifiCorp
851 SW Sixth Avenue
Portland, OR 97204
503–243–5190
CEO: Don C Frisbee
Electric utility–West
Coal/Telecomm–carrier

PaineWebber Group
1285 Avenue of the Americas
New York, NY 10019
212–713–2000
CEO: Donald B Marron
Brokerage house

Pall
30 Sea Cliff Avenue
Glen Cove, NY 11542
516–671–4000
CEO: Abraham Krasnoff
Heavy equipment–industrial
Aerospace & defense

Pan Am
200 Park Avenue
New York, NY 10166
212–880–1234
CEO: C Edward Acker
Air transport–passenger

Panhandle Eastern
PO Box 1642
Houston, TX 77251–1642
713–664–3401
CEO: Robert D Hunsucker
Natural gas–prod & pipeliner

Parker-Hannifin
17325 Euclid Avenue
Cleveland, OH 44112–1290
216–531–3000
CEO: Paul G Schloemer
Heavy equipment–industrial
Aerospace & defense

Payless Cashways
PO Box 466
Kansas City, MO 64141–0466
816–234–6000
CEO: David Stanley
Retailing–miscellaneous

Penn Central
500 West Putnam Avenue
Greenwich, CT 06836
203–629–5000
CEO: Carl H Lindner
Conglomerate
Oil–other oil & gas

Pennbancorp
Pennbank Center
Titusville, PA 16354
814–827–2751
CEO: William F Roemer
Bank–Mid-Atlantic

JC Penney
1301 Avenue of the Americas
New York, NY 10019
212–957–4321
CEO: William R Howell
Retailing–department stores

Pennsylvania Power & Light
Two North Ninth Street
Allentown, PA 18101–1179
215–770–5151
CEO: Robert K Campbell
Electric utility–Northeast

Pennzoil
PO Box 2967
Houston, TX 77252–8200
713–546–4000
CEO: J Hugh Liedtke
Oil–other oil & gas

Peoples Energy
122 South Michigan Avenue
Chicago, IL 60603
312–431–4000
CEO: Eugene A Tracy
Natural gas–distributor

Where to find The Forbes 500s

PepsiCo
700 Anderson Hill Road
Purchase, NY 10577
914–253–2000
CEO: D Wayne Calloway
Beverages–soft drinks
Food proc–branded foods/Restaurant chain

Perkin-Elmer
761 Main Avenue
Norwalk, CT 06859–0082
203–762–1000
CEO: Horace G McDonell
Electronic equipment
Aerospace & defense

Perpetual Savings Bank FSB
2034 Eisenhower Avenue
Alexandria, VA 22314
703–838–6000
CEO: Thomas J Owen
Thrift institution

Petrie Stores
70 Enterprise Avenue
Secaucus, NJ 07094
201–866–3600
CEO: Milton J Petrie
Retailing-apparel

Pfizer
235 East 42nd Street
New York, NY 10017
212–573–2323
CEO: Edmund T Pratt Jr
Health–drugs

PHH Group
11333 McCormick Road
Hunt Valley, MD 21031
301–771–1900
CEO: Jerome W Geckle
Office products & services

Philadelphia Electric
PO Box 8699
Philadelphia, PA 19101
215–841–4000
CEO: James L Everett
Electric utility–Northeast

Philip Morris Cos
120 Park Avenue
New York, NY 10017
212–880–5000
CEO: Hamish Maxwell
Tobacco
Food processor–branded foods

Phillips Petroleum
Phillips Building
Bartlesville, OK 74004
918–661–6600
CEO: C J Silas
Oil–international

Piedmont Aviation
One Piedmont Plaza
Winston–Salem, NC 27156–1000
919–770–8000
CEO: William R Howard
Air transport–passenger

Pillsbury
200 South Sixth Street
Minneapolis, MN 55402
612–330–4966
CEO: John M Stafford
Food processor–branded foods
Restaurant chain

Pitney Bowes
Walter H Wheeler Jr Drive
Stamford, CT 06926–0700
203–356–5000
CEO: George B Harvey
Electronic equipment

PNC Financial
Fifth Avenue & Wood Street
Pittsburgh, PA 15222
412–355–2000
CEO: Thomas H O'Brien
Bank–Mid-Atlantic

Polaroid
549 Technology Square
Cambridge, MA 02139
617–577–2000
CEO: I MacAllister Booth
Photography

Portland General
121 Southwest Salmon Street
Portland, OR 97204
503–226–8333
CEO: Robert H Short
Electric utility–West

Potlatch
PO Box 3591
San Francisco, CA 94119
415–947–5500
CEO: Richard B Madden
Paper
Lumber

Potomac Electric Power
1900 Pennsylvania Avenue NW
Washington, DC 20068
202–872–2000
CEO: W Reid Thompson
Electric utility–Northeast

PPG Industries
One PPG Place
Pittsburgh, PA 15272
412–434–3131
CEO: Vincent A Sarni
Automotive parts
Construction materials

Premark International
2211 Sanders Road
Northbrook, IL 60062
312–498–8000
CEO: Warren L Batts
Home furnishings
Appliances

Price Co
PO Box 85466
San Diego, CA 92138
619–581–4600
CEO: Robert E Price
Retailing–miscellaneous

Primark
8251 Greensboro Drive
McLean, VA 22102
703–790–7600
CEO: Robert W Stewart
Natural gas–distributor

Prime Motor Inns
PO Box 2700
Fairfield, NJ 07007–2700
201–882–1010
CEO: Peter E Simon
Hotels & gaming

Procter & Gamble
One Procter & Gamble Plaza
Cincinnati, OH 45202
513–983–1100
CEO: John G Smale
Personal products
Household products

Progressive
PO Box 5070
Cleveland, OH 44101
216–464–8000
CEO: Peter B Lewis
Insurance–property & casualty

Provident Life & Accident
Fountain Square
Chattanooga, TN 37402
615–755–1011
CEO: H Carey Hanlin
Insurance–life & health

Public Service Co of Colorado
PO Box 840
Denver, CO 80201–0840
303–571–7511
CEO: Richard F Walker
Electric utility–West
Natural gas–distributor

Public Service Co of Indiana
1000 East Main Street
Plainfield, IN 46168
317–839–9611
CEO: Hugh A Barker
Electric utility–North central

Public Service Co of New Hampshire
1000 Elm Street
Manchester, NH 03105
603–669–4000
CEO: Robert J Harrison
Electric utility–Northeast

Public Service Co of New Mexico
Alvarado Square
Albuquerque, NM 87158
505–848–2700
CEO: Jerry D Geist
Electric utility–West
Natural gas–distributor

Public Service Enterprise Group
PO Box 570
Newark, NJ 07101
201–430–7000
CEO: E James Furland
Electric utility–Northeast
Natural gas–distributor

Where to find The Forbes 500s

Puget Sound Bancorp
PO Box 11500
Tacoma, WA 98411–5050
206–593–3600
CEO: William W Philip
Bank–West

Puget Sound Power & Light
Puget Power Building
Bellevue, WA 98009
206–454–6363
CEO: John W Ellis
Electric utility–West

Quaker Oats
Merchandise Mart Plaza
Chicago, IL 60654
312–222–7111
CEO: William D Smithburg
Food processor–branded foods

Rainier Bancorporation
PO Box 3966
Seattle, WA 98124
206–621–4111
CEO: G Robert Truex Jr
Bank–West

Ralston Purina
Checkerboard Square
St Louis, MO 63164
314–982–1000
CEO: William P Stiritz
Food processor–branded foods

Raychem
300 Constitution Drive
Menlo Park, CA 94025–1164
415–361–3333
CEO: Paul M Cook
Electrical equipment

Raytheon
141 Spring Street
Lexington, MA 02173
617–862–6600
CEO: Thomas L Phillips
Conglomerate
Aerospace & defense

Reebok International
150 Royall Street
Canton, MA 02021
617–821–2800
CEO: Paul Fireman
Shoe manufacturer

Reliance Group Holdings
55 East 52nd Street
New York, NY 10055
212–909–1100
CEO: Saul P Steinberg
Insurance–property & casualty

Republic New York
452 Fifth Avenue
New York, NY 10018
212–930–6000
CEO: Walter H Weiner
Bank–Northeast

RepublicBank
PO Box 660020
Dallas, TX 75266–0020
214–922–5031
CEO: Gerald W Fronterhouse
Bank–South central

Revlon Group
21 East 63rd Street
New York, NY 10021
212–593–4300
CEO: Ronald O Perelman
Personal products

Reynolds Metals
6601 Broad Street Road
Richmond, VA 23261
804–281–2000
CEO: William O Bourke
Metals–nonferrous

Riggs National
1503 Pennsylvania Avenue NW
Washington, DC 20005
202–835–6000
CEO: Joe L Allbritton
Bank–Mid-Atlantic

Rite Aid
PO Box 3165
Harrisburg, PA 17105
717–761–2633
CEO: Alex Grass
Retailing–drugstores

RJR Nabisco
1100 Reynolds Boulevard
Winston-Salem, NC 27102
919–773–2000
CEO: J Tylee Wilson
Tobacco
Food processor–branded foods

Roadway Services
PO Box 88
Akron, OH 44309–0088
216–384–8184
CEO: Charles F Zodrow
Trucking & leasing

Rockwell International
600 Grant Street
Pittsburgh, PA 15219
412–565–2000
CEO: Robert Anderson
Aerospace & defense
Automotive parts

Rohm & Haas
Independence Mall West
Philadelphia, PA 19105
215–592–3000
CEO: Vincent L Gregory Jr
Chemicals–diversified

Rorer Group
500 Virginia Drive
Fort Washington, PA 19034
215–628–6800
CEO: Robert E Cawthorn
Health–drugs

Rouse
10275 Little Patuxent Parkway
Columbia, MD 21044
301–992–6000
CEO: Mathias J DeVito
Commercial builder

Rubbermaid
1147 Akron Road
Wooster, OH 44691
216–264–6464
CEO: Stanley C Gault
Home furnishings

Ryder System
3600 Northwest 82nd Avenue
Miami, FL 33166
305–593–3726
CEO: M Anthony Burns
Trucking & leasing

Safeco
Safeco Plaza
Seattle, WA 98185
206–545–5000
CEO: Bruce Maines
Insurance–diversified

St Paul Cos
385 Washington Street
St Paul, MN 55102
612–221–7911
CEO: Robert J Haugh
Insurance–property & casualty

Salomon (formerly Phibro-Salomon)
1221 Avenue of the Americas
New York, NY 10020
212–764–3700
CEO: John H Gutfreund
Brokerage house

San Diego Gas & Electric
PO Box 1831
San Diego, CA 92112
619–696–2000
CEO: Thomas A Page
Electric utility–West

Rochester Community Savings Bank
40 Franklin Street
Rochester, NY 14604
716–263–2542
CEO: Leonard S Simon
Thrift institution

Rochester Gas & Electric
89 East Avenue
Rochester, NY 14649
716–546–2700
CEO: Paul W Briggs
Electric utility–Northeast
Natural gas–distributor

Where to find The Forbes 500s

Santa Fe Southern Pacific
224 South Michigan Avenue
Chicago, IL 60604
312–786–6000
CEO: John J Schmidt
Railroads

Sara Lee
Three First National Plaza
Chicago, IL 60602–4260
312–726–2600
CEO: John H Bryan Jr
Food processor–branded foods

Scana
1426 Main Street
Columbia, SC 29218
803–748–3000
CEO: John A Warren
Electric utility–Southeast
Natural gas–distributor

Schering-Plough
One Giralda Farms
Madison, NJ 07940–1000
201–822–7000
CEO: Robert P Luciano
Drugs
Personal products

Scott Paper
Scott Plaza
Philadelphia, PA 19113
215–522–5000
CEO: Philip E Lippincott
Personal products
Paper

Seagate Technology
920 Disc Drive
Scotts Valley, CA 95066
408–438–6550
CEO: Alan F Shugart
Electronic equipment

Sears, Roebuck
Sears Tower
Chicago, IL 60684
312–875–2500
CEO: Edward A Brennan
Retailing–department stores
Insurance–diversified

Security Pacific
333 South Hope Street
Los Angeles, CA 90071
213–613–6211
CEO: Richard J Flamson III
Bank–West

Service Corp International
PO Box 13548
Houston, TX 77219
713–522–5141
CEO: Robert L Waltrip
Personal products

Service Merchandise
PO Box 24600
Nashville, TN 37202
615–251–6666
CEO: Raymond Zimmerman
Retailing–catalog showrooms

Shared Medical Systems
51 Valley Stream Parkway
Malvern, PA 19355
215–296–6300
CEO: R James Macaleer
Health–services

Shawmut
One Federal Street
Boston, MA 02211
617–292–2000
CEO: John P LaWare
Bank–Northeast

Sherwin-Williams
101 Prospect Avenue NW
Cleveland, OH 44115–1075
216–566–2000
CEO: John G Breen
Retailing–miscellaneous

Shoney's
PO Box 1260
Nashville, TN 37202
615–361–5201
CEO: J Mitchell Boyd
Restaurant chain

Signet Banking (formerly Bank of Virginia)
PO Box 25970
Richmond, VA 23260
804–747–2000
CEO: Frederick Deane Jr
Bank–Mid-Atlantic

Singer
PO Box 10151
Stamford, CT 06904–2151
203–356–4200
CEO: Joseph B Flavin
Aerospace & defense

SmithKline Beckman
PO Box 7929
Philadelphia, PA 19101
215–751–4000
CEO: Henry Wendt
Health–drugs
Health–medical supplies

Snap-on Tools
2801 80th Street
Kenosha, WI 53141–1410
414–656–5200
CEO: William B Rayburn
Automotive parts

Society
800 Superior Avenue
Cleveland, OH 44114
216–622–9000
CEO: Robert W Gillespie
Bank–North central

Society for Savings
PO Box 2200
Hartford, CT 06145–2200
203–727–5000
CEO: Elliot C Miller
Thrift institution

Sonat
PO Box 2563
Birmingham, AL 35202–2563
205–325–3800
CEO: Ronald L Kuehn Jr
Natural gas–prod & pipeliner

South Carolina National
1426 Main Street
Columbia, SC 29226–0001
803–765–3000
CEO: James G Lindley
Bank–Southeast

Southeast Banking
One Southeast Financial Center
Miami, FL 33131
305–375–7500
CEO: Charles J Zwick
Bank–Southeast

Southern California Edison
2244 Walnut Grove Avenue
Rosemead, CA 91770
818–302–1212
CEO: Howard P Allen
Electric utility–West

Southern Company
64 Perimeter Center East
Atlanta, GA 30346
404–393–0650
CEO: Edward L Addison
Electric utility–Southeast

Southern New England Telecommunications
227 Church Street
New Haven, CT 06506
203–771–5200
CEO: Walter H Monteith Jr
Telecomm–carrier

Southland
PO Box 719
Dallas, TX 75221
214–828–7011
CEO: Jere W Thompson
Convenience stores
Oil–other oil & gas

Southmark
1601 LBJ Freeway–Suite 800
Dallas, TX 75234
214–241–8787
CEO: Gene E Phillips
Financial company

SouthTrust
PO Box 2554
Birmingham, AL 35290
205–254–5680
CEO: Wallace D Malone Jr
Bank–Southeast

Southwestern Bell
One Bell Center
St Louis, MO 63101
314–235–9800
CEO: Zane E Barnes
Telecomm–carrier

Where to find The Forbes 500s

Southwestern Public Service
PO Box 1261
Amarillo, TX 79170
806–378–2121
CEO: Bert Ballengee
Electric utility–South central

Sovran Financial
One Commercial Place
Norfolk, VA 23510
804–441–4000
CEO: Clifford A Cutchins III
Bank–Mid-Atlantic

Springs Industries
PO Box 70
Fort Mill, SC 29715
803–547–2901
CEO: Walter Y Elisha
Home furnishings
Textile manufacturer

Square D
Executive Plaza
Palatine, IL 60067
312–397–2600
CEO: Dalton L Knauss
Electrical equipment

Squibb
PO Box 4000
Princeton, NJ 08543–4000
609–921–4000
CEO: Richard M Furlaud
Health–drugs

Staley Continental
1701 Golf Road
Rolling Meadows, IL 60008
312–981–1696
CEO: Donald E Nordlund
Food distributor–wholesale
Food processor–commodities

Standard Oil
200 Public Square
Cleveland, OH 44114–2375
216–586–4141
CEO: Robert B Horton
Oil–other oil & gas

Stanley Works
PO Box 7000
New Britain, CT 06050
203–225–5111
CEO: Donald W Davis
Heavy equipment–industrial
Appliances

State Street Boston
Box 351
Boston, MA 02101
617–786–3000
CEO: William S Edgerly
Bank–Northeast

Sterling Drug
90 Park Avenue
New York, NY 10016
212–907–3000
CEO: John M Pietruski
Household products
Health–drugs

JP Stevens
1185 Avenue of the Americas
New York, NY 10036
212–930–2000
CEO: Whitney Stevens
Home furnishings
Textile manufacturer

Stone Container
150 North Michigan Avenue
Chicago, IL 60601
312–346–6600
CEO: Roger W Stone
Paper

Stop & Shop Cos
PO Box 369
Boston, MA 02101
617–770–8000
CEO: Avram J Goldberg
Supermarkets–major
Retailing–discount & variety stores

Student Loan Marketing Assn
1050 Thomas Jefferson Street NW
Washington, DC 20007
202–333–8000
CEO: Edward A Fox
Financial company

Subaru of America
PO Box 6000
Cherry Hill, NJ 08034–6000
609–488–8500
CEO: Harvey H Lamm
Automobiles & trucks

Sumitomo Bank of California
320 California Street
San Francisco, CA 94104
415–445–8000
CEO: Teruhisa Shimizu
Bank–West

Sun Company
100 Matsonford Road
Radnor, PA 19087–4597
215–293–6000
CEO: Robert McClements Jr
Oil–other oil & gas

Sundstrand
PO Box 7003
Rockford, IL 61125–7003
815–226–6000
CEO: Evans W Erikson
Aerospace & defense
Heavy equipment–industrial

SunTrust Banks
PO Box 4418
Atlanta, GA 30302
404–588–7455
CEO: Robert Strickland
Bank–Southeast

Sunwest Financial Service
PO Box 25500
Albuquerque, NM 87125–5500
505–765–2403
CEO: George S Jenks
Bank–West

Super Food Services
Kettering Box 2323
Dayton, OH 45429
513–294–1731
CEO: Jack Twyman
Food distributor–wholesale

Super Valu Stores
PO Box 990
Minneapolis, MN 55440
612–828–4000
CEO: Michael W Wright
Food distributor–wholesale

Supermarkets General
301 Blair Road
Woodbridge, NJ 07095
201–499–3000
CEO: Leonard Lieberman
Supermarkets–major

Sysco
1177 West Loop South
Houston, TX 77027
713–877–1122
CEO: John F Woodhouse
Food distributor–wholesale

Taft Broadcasting
1718 Young Street
Cincinnati, OH 45210
513–721–1414
CEO: Charles S Mechem Jr
Broadcasting

Talman Home Federal S&L of Illinois
30 West Monroe Street
Chicago, IL 60603
312–726–8915
CEO: Theodore H Roberts
Thrift institution

Tambrands
One Marcus Avenue
Lake Success, NY 11042
516–358–8300
CEO: Edwin H Shutt Jr
Personal products

Tandem Computers
19333 Vallco Parkway
Cupertino, CA 95104–2599
408–725–6000
CEO: James G Treybig
Computers

Tandy
PO Box 17180
Fort Worth, TX 76102
817–390–3700
CEO: John V Roach
Retailing–miscellaneous
Computers

TCF Banking & Savings FA
801 Marquette Avenue
Minneapolis, MN 55402
612–370–7000
CEO: William A Cooper
Thrift institution

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TECO Energy
PO Box 111
Tampa, FL 33601
813–228–4111
CEO: Hugh L Culbreath
Electric utility–Southeast

Tektronix
PO Box 500
Beaverton, OR 97077
503–627–7111
CEO: Earl Wantland
Electronic equipment

Tele-Communications
5455 South Valentia Way
Englewood, CO 80111
303–771–8200
CEO: John C Malone
Broadcasting

Teledyne
1901 Avenue of the Stars
Los Angeles, CA 90067
213–277–3311
CEO: George E Roberts
Conglomerate
Insurance–diversified/Aerospace & defense

Telerate
One World Trade Center
New York, NY 10048
212–938–5200
CEO: Neil S Hirsch
Publishing

Telex
PO Box 1526
Tulsa, OK 74101
918–627–1111
CEO: Stephen J Jatras
Computers

Temple-Inland
Drawer N
Diboll, TX 75941
409–829–1313
CEO: Clifford J Grum
Packaging
Construction materials

Tenneco
PO Box 2511
Houston, TX 77252–2511
713–757–2131
CEO: James L Ketelsen
Conglomerate
Oil–other oil & gas

Tesoro Petroleum
PO Box 17536
San Antonio, TX 78286
512–828–8484
CEO: Robert V West Jr
Oil–other oil & gas

Texaco
2000 Westchester Avenue
White Plains, NY 10650
914–253–4000
CEO: James W Kinnear
Oil–international

Texas Air
333 Clay Street
Houston, TX 77002
713–658–9588
CEO: Francisco A Lorenzo
Air transport–passenger

Texas American Bancshares
PO Box 2050
Fort Worth, TX 76113
817–338–8671
CEO: Joseph M Grant
Bank–South central

Texas Commerce Bancshares
PO Box 2558
Houston, TX 77252–2558
713–236–4865
CEO: Ben F Love
Bank–South central

Texas Eastern
PO Box 2521
Houston, TX 77252–2521
713–759–3131
CEO: I David Bufkin
Natural gas–prod & pipeliner

Texas Instruments
PO Box 655474
Dallas, TX 75265
214–995–2011
CEO: Jerry R Junkins
Semiconductors
Aerospace & defense

Texas Utilities
2001 Bryan Tower
Dallas, TX 75201
214–653–4600
CEO: Jerry S Farrington
Electric utility–South central

Textron
40 Westminster Street
Providence, RI 02903
401–421–2800
CEO: Beverly F Dolan
Conglomerate
Aerospace & defense

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212–522–1212
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Publishing
Broadcasting

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Times Mirror Square
Los Angeles, CA 90053
213–237–3700
CEO: Robert F Erburu
Publishing

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2001 Third Avenue South
Birmingham, AL 35233
205–325–4200
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Insurance–life & health

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Rochelle Park, NJ 07662
201–845–5033
CEO: Charles Lazarus
Retailing–miscellaneous

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605 Third Avenue
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212–692–3000
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Air transport–passenger

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San Francisco, CA 94111
415–983–4000
CEO: James R Harvey
Insurance–diversified

Transco Energy
PO Box 1396
Houston, TX 77251
713–439–2000
CEO: William J Bowen
Natural gas–prod & pipeliner

Travelers
One Tower Square
Hartford, CT 06183
203–277–0111
CEO: Edward H Budd
Insurance–diversified

Triangle Industries
900 Third Avenue
New York, NY 10022–4702
212–230–3000
CEO: Nelson Peltz
Packaging

Tribune
435 North Michigan Avenue
Chicago, IL 60611
312–222–9100
CEO: Stanton R Cook
Publishing

Trinova (formerly Libbey-Owens-Ford)
1705 Indian Wood Circle
Maumee, OH 43537
419–891–2200
CEO: Darryl F Allen
Heavy equipment–industrial

Trustcorp (formerly Toledo Trustcorp)
Three Seagate
Toledo, OH 43603
419–259–8598
CEO: George W Haigh
Bank–North central

TRW
1900 Richmond Road
Cleveland, OH 44124
216–291–7000
CEO: Ruben F Mettler
Aerospace & defense
Automotive parts

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PO Box 711
Tucson, AZ 85702
602–622–6661
CEO: Einar Greve
Electric utility–South central

Turner
633 Third Avenue
New York, NY 10017
212–878–0400
CEO: Herbert D Conant
Commercial builder

TW Services
605 Third Avenue
New York, NY 10158
212–972–4700
CEO: L Edwin Smart
Food distributor–wholesale

Tyson Foods
PO Drawer E
Springdale, AR 72764
501–756–4000
CEO: Don Tyson
Food processor–meatpacking

UAL
PO Box 66919
Chicago, IL 60666
312–956–2400
CEO: Richard J Ferris
Air transport–passenger

Union Camp
1600 Valley Road
Wayne, NJ 07470
201–628–2000
CEO: Raymond E Cartledge
Paper
Packaging

Union Carbide
39 Old Ridgebury Road
Danbury, CT 06817–0001
203–794–2000
CEO: Robert D Kennedy
Chemicals–diversified

Union Electric
PO Box 149
St Louis, MO 63166
314–621–3222
CEO: William E Cornelius
Electric utility–North central

Union National
620 Washington Road
Mt Lebanon, PA 15228
412–644–6200
CEO: George F Kesel
Bank–Mid-Atlantic

Union Pacific
345 Park Avenue
New York, NY 10154
212–418–7800
CEO: William S Cook
Railroads
Oil–other oil & gas

Unisys (formerly Burroughs)
Burroughs Place
Detroit, MI 48232
313–972–7000
CEO: W Michael Blumenthal
Computers

United Banks of Colorado
1700 Lincoln Street
Denver, CO 80274–0010
303–861–4700
CEO: N Berne Hart
Bank–West

United Brands
One East Fourth Street
Cincinnati, OH 45202
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CEO: Carl H Lindner
Food processor–meatpacking
Food processor–branded foods

United Financial Group
5718 Westheimer
Houston, TX 77057
713–974–8700
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Thrift institution

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Princeton, NJ 08583–2066
609–987–3200
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503–225–6111
CEO: John A Elorriaga
Bank–West

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Blue Bell, PA 19422
215–628–4800
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One Eastwood Drive
Cincinnati, OH 45227
513–527–7000
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Retailing–apparel
Shoe manufacturer

US Tobacco
100 West Putnam Avenue
Greenwich, CT 06830
203–661–1100
CEO: Louis F Bantle
Tobacco

US Trust
45 Wall Street
New York, NY 10005
212–806–4500
CEO: Daniel P Davison
Bank–Northeast

United Technologies
One Financial Plaza
Hartford, CT 06101
203–728–7000
CEO: Robert F Daniell
Aerospace & defense
Commercial builder

United Telecommunications
PO Box 11315
Kansas City, MO 64112
913–676–3000
CEO: William T Esrey
Telecomm–carrier

United Virginia Bankshares
PO Box 26665
Richmond, VA 23261–6665
804–782–5000
CEO: Richard G Tilghman
Bank–Mid-Atlantic

Universal Leaf Tobacco
PO Box 25099
Richmond, VA 23260
804–359–9311
CEO: Gordon L Crenshaw
Tobacco
Insurance–property & casualty

Unocal
PO Box 7600
Los Angeles, CA 90051
213–977–7600
CEO: Fred L Hartley
Oil–other oil & gas

UNUM Corp
2211 Congress Street
Portland, ME 04122
207–780–2211
CEO: Colin C Hampton
Insurance–life & health

Upjohn
7000 Portage Road
Kalamazoo, MI 49001
616–323–4000
CEO: Ray T Parfet Jr
Health–drugs

US West
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Englewood, CO 80111
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CEO: Jack A MacAllister
Telecomm–carrier

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Arlington, VA 22202
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USF&G
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Baltimore, MD 21202
301–547–3000
CEO: Jack Moseley
Insurance–property & casualty

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101 South Wacker Drive
Chicago, IL 60606–4385
312–321–4000
CEO: Robert I Day
Cement & gypsum
Construction materials

USLife
125 Maiden Lane
New York, NY 10038
212–709–6000
CEO: Gordon E Crosby Jr
Insurance–life & health

USX (formerly United States Steel)
600 Grant Street
Pittsburgh, PA 15230
412–433–1121
CEO: David M Roderick
Oil–other oil & gas
Metals–steel

Utah Power & Light
PO Box 899
Salt Lake City, UT 84110
801–535–2000
CEO: Frank N Davis
Electric utility–West

Valero Energy
PO Box 500
San Antonio, TX 78292
512–246–2000
CEO: William E Greehey
Oil–other oil & gas
Natural gas–prod & pipelines

Valley Federal Savings & Loan Assn
6842 Van Nuys Boulevard
Van Nuys, CA 91405
818–904–3000
CEO: Donald C Headlund
Thrift institution

Valley National
PO Box 71
Phoenix, AZ 85001
602–261–2099
CEO: Howard C McCrady
Bank–West

VF
PO Box 1022
Reading, PA 19603
215–378–1151
CEO: Lawrence R Pugh
Retailing–apparel manufacturer

Viacom International
1211 Avenue of the Americas
New York, NY 10036
212–575–5175
CEO: Terrence A Elkes
Broadcasting

Vulcan Materials
PO Box 7497
Birmingham, AL 35253–0497
205–877–3000
CEO: Herbert A Sklenar
Construction materials
Chemicals–specialized

Wal-Mart Stores
Bentonville, AR 72716
501–273–4000
CEO: Sam M Walton
Retailing–discount & variety stores

Walgreen
200 Wilmot Road
Deerfield, IL 60015
312–940–2500
CEO: Charles R Walgreen III
Retailing–drugstores

Wang Laboratories
One Industrial Avenue
Lowell, MA 01851
617–459–5000
CEO: An Wang
Computers

Warner Communications
75 Rockefeller Plaza
New York, NY 10019
212–484–8000
CEO: Steven J Ross
Entertainment

Warner-Lambert
201 Tabor Road
Morris Plains, NJ 07950
201–540–2000
CEO: Joseph D Williams
Health–drugs

Washington Mutual Savings Bank
1101 Second Avenue
Seattle, WA 98101
206–464–4400
CEO: Louis H Pepper
Thrift institution

Washington Post
1150 15th Street NW
Washington, DC 20071
202–334–6000
CEO: Katharine Graham
Publishing

Washington Water Power
PO Box 3647
Spokane, WA 99220
509–489–0500
CEO: Paul A Redmond
Electric utility–West

Waste Management
3003 Butterfield Road
Oak Brook, IL 60521
312–572–8800
CEO: Dean L Buntrock
Industrial services

Weis Markets
1000 South Second Street
Sunbury, PA 17801
717–286–4571
CEO: Sigfried Weis
Supermarkets–regional

Wells Fargo
420 Montgomery Street
San Francisco, CA 94163
415–396–0123
CEO: Carl E Reichardt
Bank–West

Wendy's International
PO Box 256
Dublin, OH 43017–0256
614–764–3100
CEO: Robert L Barney
Restaurant chain

West Point-Pepperell
PO Box 71
West Point, GA 31833
404–645–4000
CEO: Joseph L Lanier Jr
Home furnishings
Textile manufacturer

Western Capital Investment
1675 Broadway–Suite 1700
Denver, CO 80202
303–623–5577
CEO: Junius F Baxter
Thrift institution

Western Savings & Loan Assn
PO Box 36290
Phoenix, AZ 85011-6290
602–248–4600
CEO: Gary Driggs
Thrift institution

Westinghouse Electric
Westinghouse Building
Pittsburgh, PA 15222
412–244–2000
CEO: Douglas D Danforth
Electrical equipment
Aerospace & defense

Westvaco
299 Park Avenue
New York, NY 10171
212–688–5000
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Lumber
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Whirlpool
2000 M-63 North
Benton Harbor, MI 49022-2692
616-926-5000
CEO: Jack D Sparks
Appliances

Whitney Holding
228 St Charles Avenue
New Orleans, LA 70103
504-586-7272
CEO: Patrick A Delaney
Bank-Southeast

Wickes Cos
3340 Ocean Park Boulevard
Santa Monica, CA 90405
213-452-0161
CEO: Sanford C Sigoloff
Retailing-miscellaneous

Willamette Industries
1300 SW Fifth Avenue
Portland, OR 97201
503-227-5581
CEO: William Swindells Jr
Paper
Lumber

Williams Cos
One Williams Center
Tulsa, OK 74172
918-588-2000
CEO: Joseph H Williams
Natural gas-prod & pipelines

Wilmington Trust
Rodney Square North
Wilmington, DE 19890
302-651-1000
CEO: Bernard J Taylor II
Bank-Mid-Atlantic

Wilson Foods
4545 Lincoln Boulevard
Oklahoma City, OK 73105
405-525-4545
CEO: Kenneth J Griggy
Food processor-meatpacking

Winn-Dixie Stores
PO Box B
Jacksonville, FL 32203-0297
904-783-5000
CEO: A Dano Davis
Supermarkets-major

Wisconsin Energy (formerly Wisconsin Electric)
PO Box 2949
Milwaukee, WI 53201
414-221-2345
CEO: Charles S McNeer
Electric utility-North central
Natural gas-distributor

Wisconsin Power & Light
PO Box 192
Madison, WI 53701-0192
608-252-3311
CEO: James R Underkofler
Electric utility-North central
Natural gas-distributor

Witco
520 Madison Avenue
New York, NY 10022-4236
212-605-3800
CEO: William Wishnick
Oil-other oil & gas
Chemicals-specialized

FW Woolworth
233 Broadway
New York, NY 10279
212-553-2000
CEO: Harold E Sells
Retailing-discount & variety stores
Retailing-shoe stores

Wm Wrigley Jr
410 North Michigan Avenue
Chicago, IL 60611
312-644-2121
CEO: William Wrigley
Food processor-branded foods

Xerox
PO Box 1600
Stamford, CT 06904
203-329-8700
CEO: David T Kearns
Office products & services
Insurance-property & casualty

Yellow Freight System
PO Box 7563
Overland Park, KS 66207
913-345-1020
CEO: George E Powell Jr
Trucking & leasing

Zayre
770 Cochituate Road
Framingham, MA 01701
617-620-5000
CEO: Maurice Segall
Retailing-discount & variety stores
Retailing-apparel

Zenith Electronics
1000 Milwaukee Avenue
Glenview, IL 60025
312-391-7000
CEO: Jerry K Pearlman
Appliances
Computers

Zions Utah Bancorporation
1380 Kennecott Building
Salt Lake City, UT 84133
801-524-4787
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Bank-West

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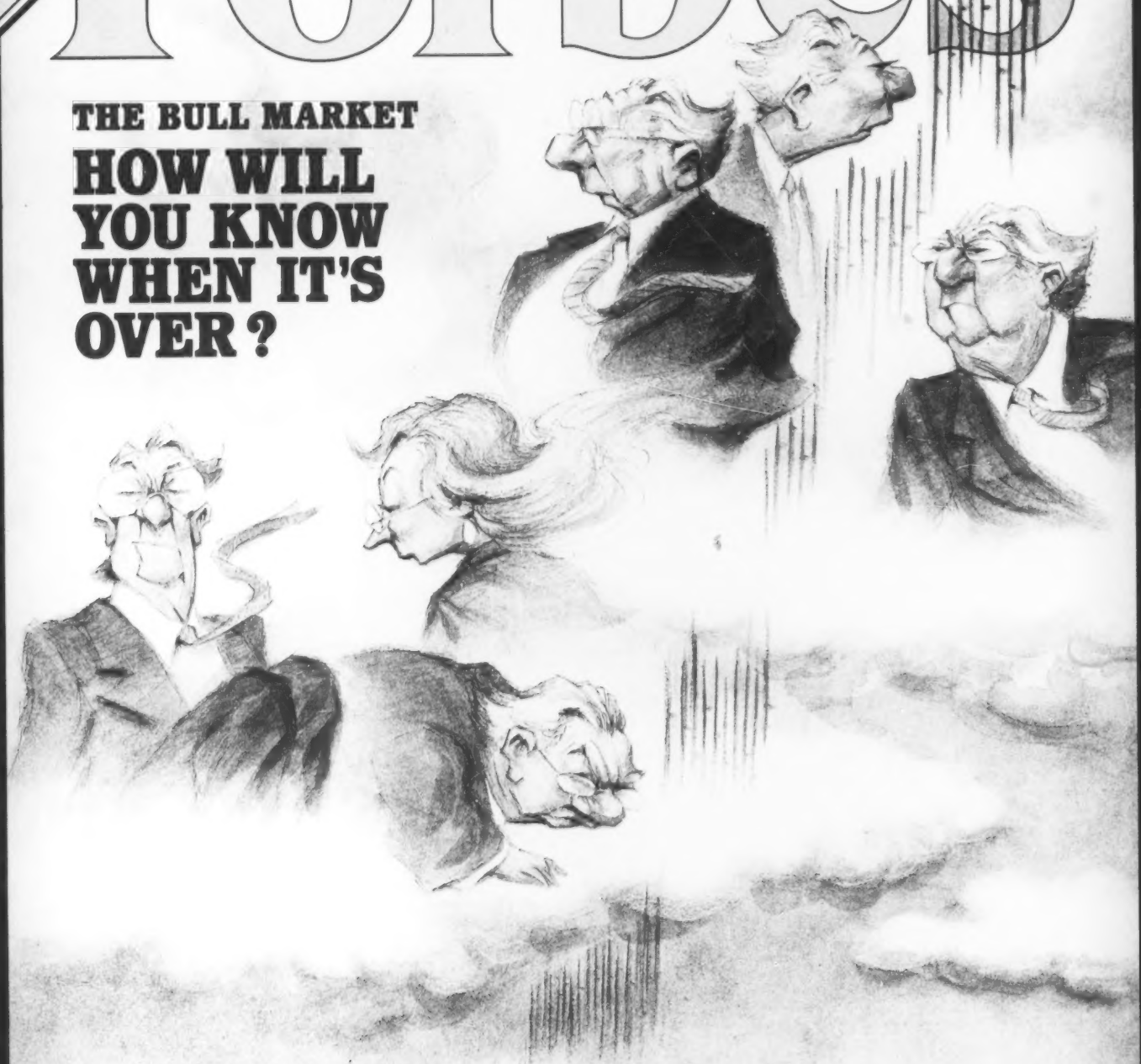

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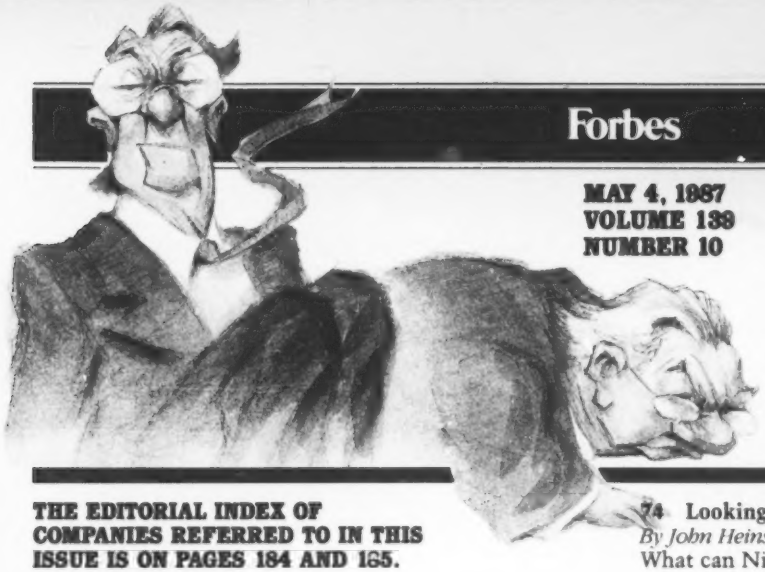

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MAY 4, 1987
VOLUME 139
NUMBER 10

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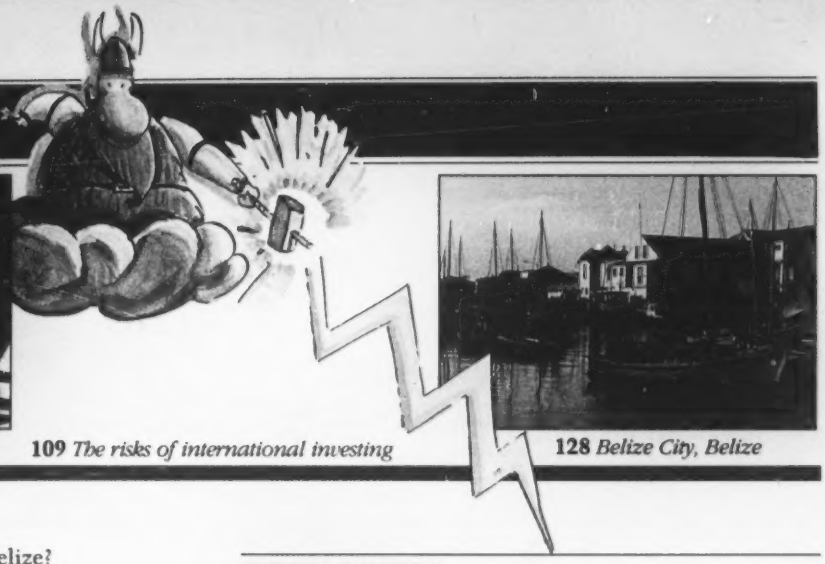

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May 4, 1987 Volume 139 Number 10 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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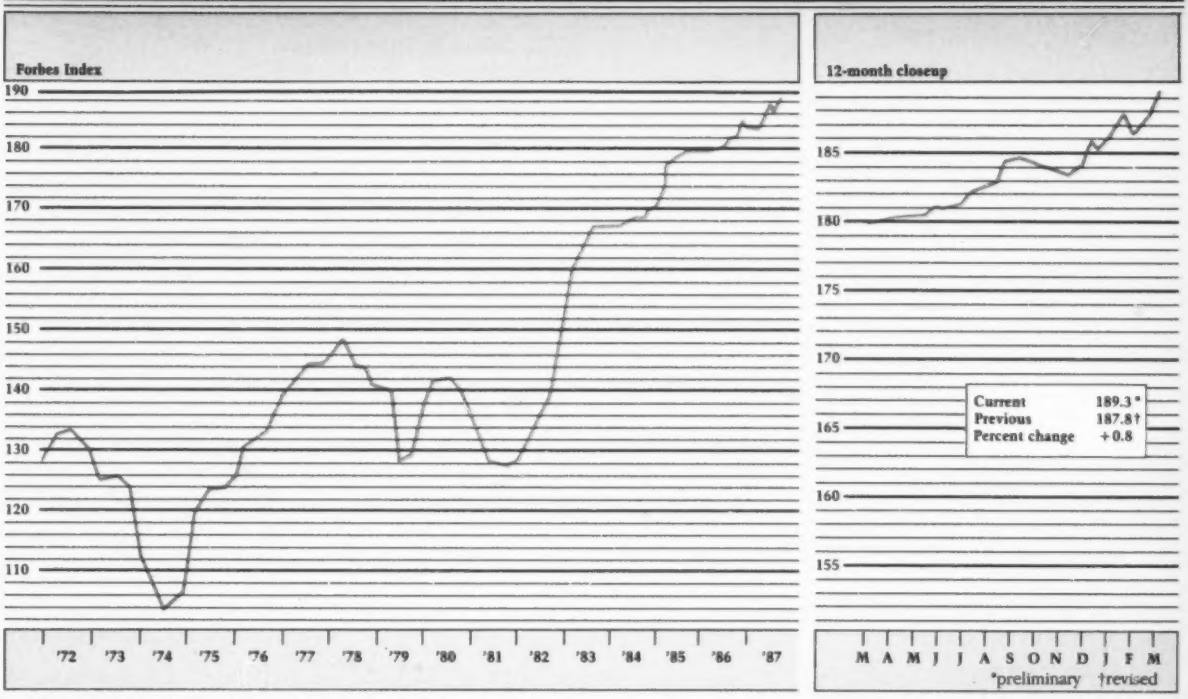
The Forbes Index

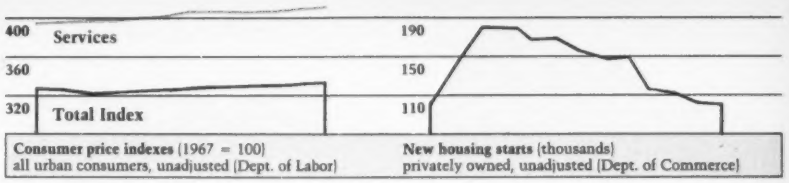


Back on track. The Forbes Index gained 0.8% in the latest reporting period, following a revised 0.8% gain in February. New unemployment claims fell 0.5% for the six months ending in March, versus the six months ending in February. The service sector appears to be compensating—and then some—for jobs lost in manufacturing. Manufacturers' new orders rose 6.7% in February over January's depressed levels. Auto sales, in particular, dropped in January when the federal deduction for state sales tax was eliminated. Calculations for the Index compare manufacturers' orders for new durable goods for the past three months with inventories for the most recent month. A 0.3% decline in inventories in February kept the overall relationship between orders and inventories fairly stable.

The Forbes Index Components

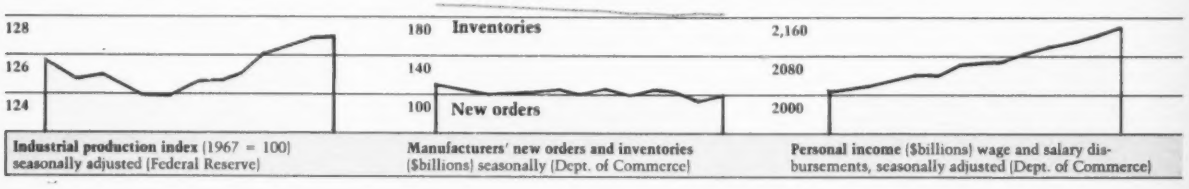
The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)

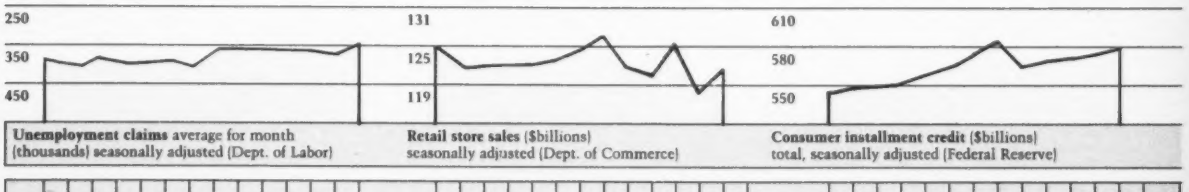
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)

Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)

Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

The best and brightest business school graduates still have eyes for Wall Street, despite the recent scandals.

"The sex appeal is intact"

By Dyan Machan

YOUNG M.B.A.s have been taking a pretty good bashing lately in the wake of the "Yuppiegate" and other financial follies in which bright young M.B.A.s have starred. But like long-distance swimmers just shy of reaching the far shore, the current crop of the best and brightest M.B.A. candidates is not about to change direction because of a mere shark scare. More of them than ever have their eyes on the big bucks offered on Wall Street. And they don't think apologies are necessary.

"Since I have been in business school, I have been repeatedly informed that M.B.A.s are lower than used car salesmen in social perception," says Michael Hoffman, 28, of the Johnson Graduate School of Management at Cornell University. "It's a bum rap."

"It is important to realize that most M.B.A.s maintain strict ethical standards," says Daniel Sharplin, 24, a student at the University of Texas at Austin Graduate School of Business.

"To label M.B.A.s as disinterested in ethical behavior based on the activities of a few crooks is not only unfair, it is naive and silly," says Edwin Bradley Jr., 24, of the Wharton School, graduate division, who himself wants a job in investment banking.

FORBES recently took the pulse of a group of M.B.A. students at the fifth annual Graduate Business Conference at the University of Texas at Austin. The gathering, sponsored by Nabisco Brands and the students' schools, brought together 98 top students selected from 28 business schools around the world.

Based on questionnaires and interviews, FORBES finds that today's graduates are more experienced, come from a broader range of disciplines, have more realistic ideas of what to expect as starting salaries and are willing to stick it out in the first job longer than previous classes. They are also more in hock *(see box, p. 158)*.

The typical candidate is a white male, 27 years old, with more than three years as a corporate lending officer. He comes from an educated household; dad is an executive in a Forbes 500s company, and mom is an accountant or teacher. Both have at least undergraduate degrees.

Although most of the students come from high-income families, only 29% found they didn't need to borrow, and almost a third face paying off loans of $10,000 to $19,000. A quarter borrowed more than $20,000. A worthy investment? People like Ted Finamore III of USC hope so. But realizing there are now some 67,000 M.B.A.s graduating every year, he feels he needs to pick up a CPA just "to maintain a competitive edge."

Many of the students have solid work experience, and only 15% went straight from undergraduate to business schools. Surprisingly, engineers make up 20% of the group—good news for manufacturing companies looking to tap this talent pool. In fact, 19% of the students are interested in manufacturing jobs. Ken Forden, 24, a student at the Owen Graduate School of Management at Vanderbilt University, is eager "to come in and shake things up" to make U.S. manufacturing more competitive. Forden, a civil engineer, predicts the U.S. will eventually beat down foreign competition and make a phoenixlike comeback. USC's Finamore agrees, but bemoans the fact that most of his peers don't seem to care about manufacturing, which he attributes partly to the M.B.A. curriculum, which has few manufacturing courses.

But the financial services sector still has the most allure, scandals be damned. Although Finamore says he himself would "rather sell Amway than go to Wall Street," the only students he knows who "don't want to go, are those that can't."

The basic reason, of course: pay. The top students can expect at least $60,000 to start, substantially more than what is offered elsewhere. And that is only the beginning. Tim Hennessey, 26, of the Kellogg Graduate

Ziggy Kaluzny

Daniel Sharplin, University of Texas at Austin
"Most M.B.A.s maintain strict ethical standards."

School of Management at Northwestern University, plans a career in investment banking and expects to earn $100,000 including his bonus his first year, double that in five years and $600,000 in a decade.

"The public's perception is lower, but as long as the money is still there and someone in his 20s can rub elbows with top officers, the sex appeal is intact," says Dan Baumbach, 25, of the University of Virginia's Colgate Darden Graduate School of Business Administration.

Will they come to Wall Street any better prepared than their predecessors to deal with touchy ethical matters? Students maintain they are better prepared, citing the greater stress now placed on ethics. The trading scandal, if anything, will make new M.B.A.s determined to do things by the book, says Jeff Rosenthal of the University of California at Los Angeles.

Others aren't sure. "I'm not convinced we're looking at just a few bad apples," says Melissa Self, 34, a former teacher now at the University of Washington Graduate School of Business Administration, which has a course in ethics. "I believe B-schools are failing to prepare M.B.A.s for making ethical decisions. Too often, M.B.A.s are asked to make decisions in those legal gray areas. There are no guidelines, no framework. Ethics are being taught as an afterthought," she complains.

Ann Summa

Ted Finamore III, USC, Mudd Hall Library
"I'd rather sell Amway than go to Wall Street."

Indeed, an informal poll revealed the students to be something less than saintly. Fifty-two were asked whether they would cheat on their taxes or trade on inside information—given chances were slim to nil they'd get nailed. Thirteen percent said they would cheat the IRS, and 21% said they would trade on inside information. In addition, another 4% said they might cheat on taxes, and 6% admitted that they might trade on insider tips. Remarked one conference observer, "An ethical M.B.A.? That's an oxymoron."

Which companies do they admire most? The results were predictable. For the last three years the M.B.A.s have picked IBM and Apple Computer as their favorites. Chrysler appears again after a one-year absence. Digital Equipment, Walt Disney Co. and Johnson & Johnson were also mentioned. Least admired? GM and Drexel Burnham Lambert.

When it comes to corporate heroes and villains, there were likewise few surprises: Lee Iacocca was named most often as a hero, but a few students fingered him as their least favorite. H. Ross Perot was also dubbed a hero, as was Steve Jobs. Ivan Boesky, GM's chief, Roger Smith, and Dennis Levine were among the least admired.

Similarly, the books students cited as most influential are either recent popular sellers or textbooks—indicating a lack of original scholarship.

On balance, then, today's best and brightest M.B.A.s seem to bring to the game a great deal of talent and ambition, simply by virtue of having risen as far as they have in the face of keen competition. But they also seem a lot less sophisticated than might be hoped for. Like all of us, they still have a lot to learn. ■

Great expectations

FORBES polled the students meeting at the University of Texas at Austin on several topics. Here are some questions and responses.

What field or industry have you chosen to enter?
Banking and finance (45%), manufacturing (19%), consulting (12%), startup (5%), marketing (5%), accounting (3%), other (11%).

What do you expect as a starting salary?
$20,000 to $40,000 (44%), more than $40,000 (24%), more than $50,000 (16%), more than $60,000 (16%).

What do you expect to make annually five years from now?
$40,000 to $74,000 (44%), $75,000 to $99,000 (24%), $100,000 to $149,000 (7%), more than $150,000 (24%).

Do you envision starting your own company?
Yes (80%), no (20%).

Most admired executives?
Lee Iacocca (39%), H. Ross Perot (30%), Steve Jobs (17%).

Least admired executives?
Ivan Boesky (55%), Roger Smith (17%), T. Boone Pickens (10%), Dennis Levine (9%).

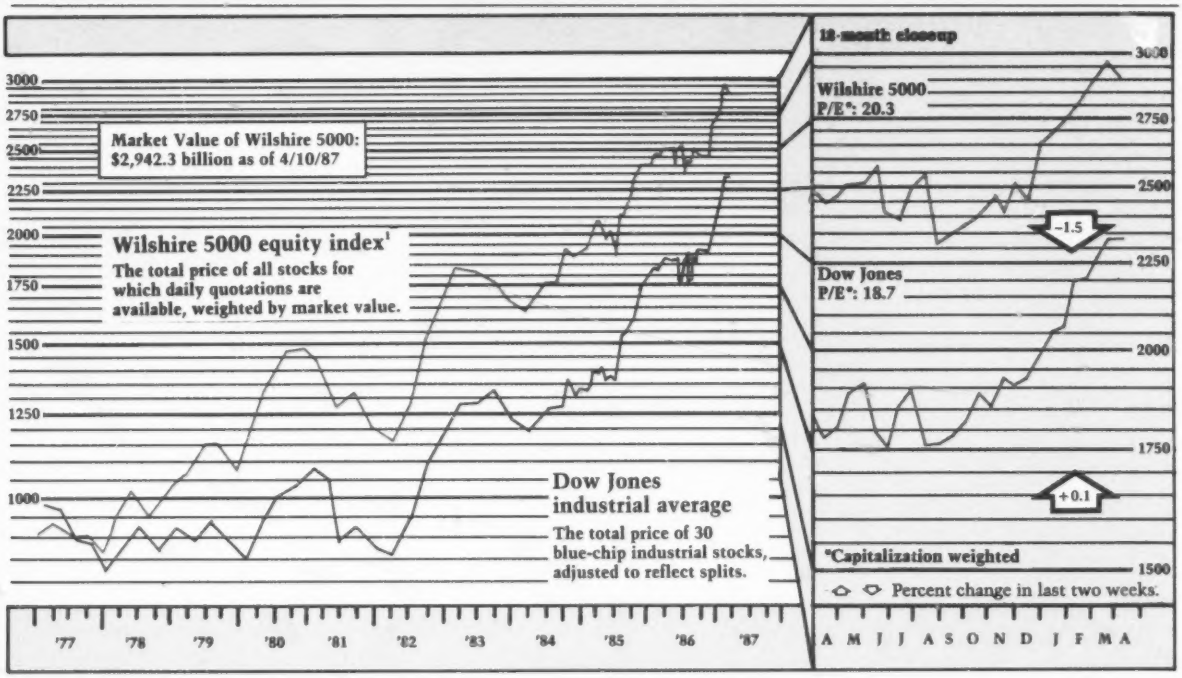
Most admired companies?
IBM (23%), Apple Computer (23%), Chrysler (21%).

Least admired companies?
General Motors (57%), Drexel Burnham Lambert (33%).

How much money did you have to borrow for school?
None (29%), $1,000 to $9,000 (12%), $10,000 to $19,000 (30%), $20,000 to $29,000 (16%), more than $30,000 (13%).

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



A 44-point decline isn't what it used to be. First, the good news: The Dow industrials closed one recent session over the 2400 level. But the next day the Dow fell over 44 points. Five years ago, when Wall Street was flirting with the 1000 level, a drop of over 40 points would have been the stuff of a major correction. But in today's market such a decline represents a setback of less than 1.9%. The current Dow divisor is 0.88; when the index hit a record 2405, the prices of all 30 Dow stocks added up to 2116. This means that the next day, when the Dow fell 44 points, the average Dow issue lost more than 1¼ points and was still selling at over $70 a share. This math exercise is no guarantee that a correction is not around the corner *(see our cover story, p. 110)*, only that it will take much sharper declines to rattle this market.

The final tally shows the Dow with a 0.1% two-week gain, while the overall market, as measured by the Wilshire index of nearly 6,000 issues, fell 1.5%.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	0.2	0.0	3.5	0.2	1.7	–0.2
in last 52 weeks	20.3	17.0	30.6	21.7	25.1	13.7

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–0.6	3.7	5.7	1.7	1.7	–1.9	–1.5	6.8	5.4	–0.6	0.5	5.3
in last 52 weeks	21.3	43.8	64.3	26.6	21.7	16.0	11.2	48.9	64.3	20.1	22.8	29.7

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

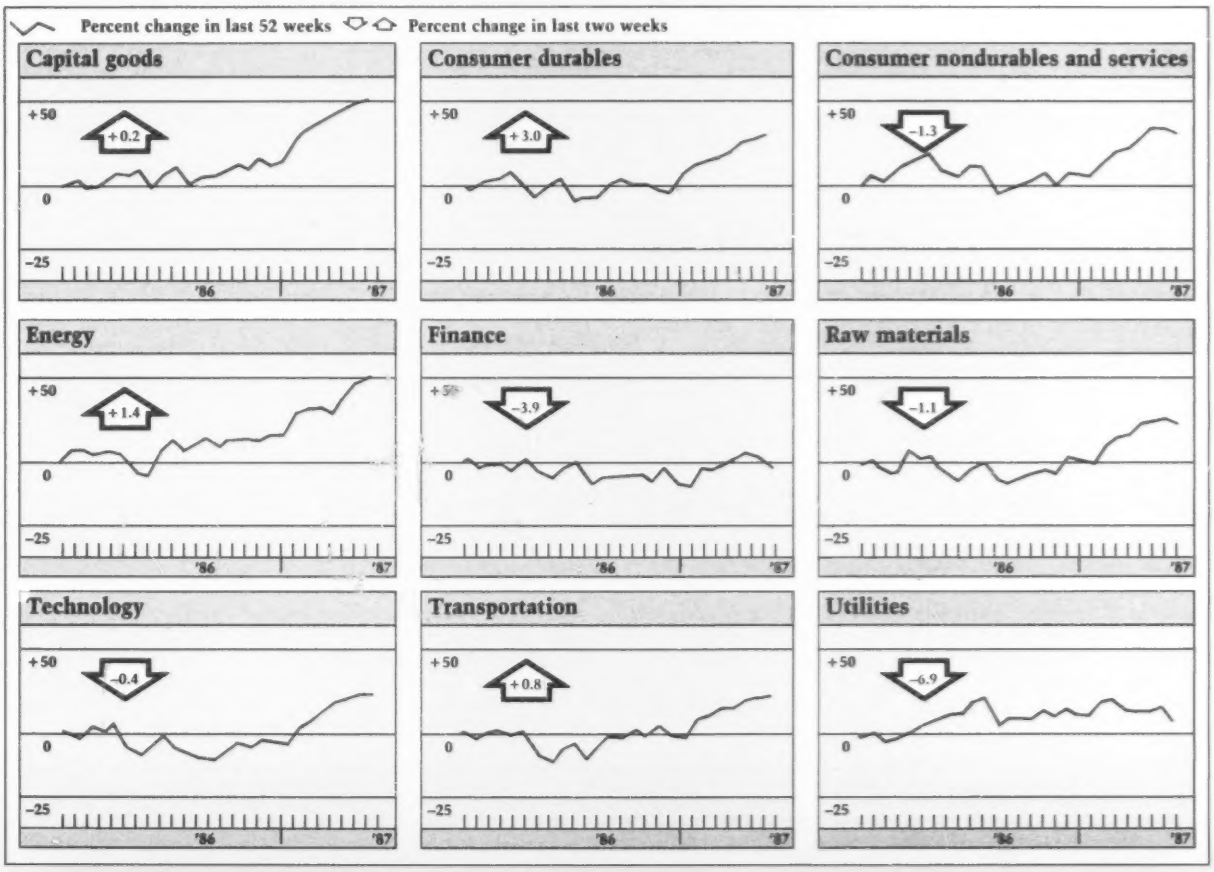
Note: All data for periods ending 4/10/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gay French

Where The Action Is

Rising interest rates drove down utility stocks 6.9% in the last two weeks. A rise in interest rates is also not welcome news for most banks and insurance companies. Finance shares fell 3.9% in the last two weeks. In fact, finance and utility shares show the worst 52-week performance. The outlook is not likely to improve for interest-sensitive stocks or the bond market unless investors perceive that rates are not on a long upward trek.

Meanwhile, energy, in spite of a decrease in crude oil futures from $17.95 to $17.38, bucked the market with a 1.4% gain. Texaco's Chapter 11 bankruptcy petition has cost the market $762 million, as measured by the drop in the combined market capitalization of Texaco and Pennzoil between Apr. 3 and Apr. 13.



What The Analysts Think

Falling prices, P/Es and estimates. With The Forbes Sales 500 falling 1.8% in two weeks, the group is now selling at 11.9 times estimated 1988 earnings, vs. a predicted multiple of 12.1 two weeks earlier. Although analysts cut estimates for all sectors except consumer durables and raw materials, prices fell faster, bringing down multiples.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.62	18.7
1987 estimates	3.53	13.9
1988 estimates	4.16	11.9

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Consumer durables	$3.54	13.1	1.21%	0.81%
2	Raw materials	2.36	17.0	0.01	–0.07
3	Consumer nondurables	2.40	17.5	–0.06	–0.05
4	Utilities	2.79	9.8	–0.08	0.71
5	Capital goods	2.47	17.5	–0.11	0.08
6	Finance	3.59	9.5	–0.16	–0.79
7	Energy	2.57	18.3	–0.34	–0.02
8	Technology	2.67	16.7	–0.38	–1.27
9	Transportation	2.65	13.5	–1.72	–2.44

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 4/10/87. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

MONEY & INVESTMENTS

Does where you live have an effect on your love life? The evidence says yes.

THE WELL-MARRIED MANAGER

By Srully Blotnick

To many of its managers, IBM stands for "I've been moved." But the computer giant isn't alone in regularly transferring personnel. The practice is so common that the majority of American executives have lived in a variety of cities by the time they are in their 40s. It is part of the price of success.

However, it's worth asking: Which cities are good for your marriage and which ones aren't?

We put this question to 3,719 managers in the first three months of 1987. The sample consisted of people who had lived—as part of a married couple—in at least three cities for a period of a year or more. The median income of the sample's members is $68,000; their median age, 47. Since men have been transferred more often than women, at least until now, approximately 64% (2,382) of the executives included are male, while 36% (1,337) are female. The median number of cities they have lived in is 4.1. They are also frequent travelers, taking a median 23 business trips per year.

How do the largest cities rate? On a 5-point scale, from 1 (a difficult place to be happily married) through 3 (neutral) to 5 (a healthy environment for a marriage), New York scored a disappointing 2.1. Why? The most representative comments of sample members, in condensed form, are that "marriages in New York don't fail because of mortal emotional wounds suffered in conjugal combat; they die of neglect. Usually a two-career couple, the partners become so caught up in their work, they have less and less time for one another. Eventually they become estranged, roommates sharing the same living space, but each annoyed at running into the other at home. Their minds are always elsewhere, so they start saying to themselves about their spouses, 'What are *you* doing here? I didn't invite you into my bed or bathroom.' "

Los Angeles has a comparably low rating: 2.3. How come? A summary of the replies indicates that "L.A. is almost as difficult a place in which to be happily married as New York, but for a different reason. Many women in L.A. are so attractive, they could get the heads on Mount Rushmore to turn." The female members of the sample expressed similar thoughts about some of the men they had met. There is just too much temptation.

Leisure has as much to do with it as looks. "In New York there are wealthy women who don't work, but you don't notice them. In L.A. you do. They're very visible, driving expensive imports, often with the top down. Many of the moneyed men are tanned, look relaxed, enjoy long lunches and appear not to have a care in the world. That sure doesn't describe the wealthy men who are movers and shakers in New York. In other words, attractive men and women look and act available in L.A., while in New York they seem more caught up in the rat race."

So, when a serious marital problem surfaces in L.A., at least one—and often both—of the partners becomes convinced that "no relationship is worth these kinds of hassles. There's too much else for me to choose from that's better."

Say this for New York and L.A.: Both are improving as sites for satisfying marriages. Shifting residential preferences in each city underline this point to sample members: "The 'in spots' in L.A. have changed during this decade; instead of Marina del Rey and Venice, Orange County has caught on. It's the same in New York, where the Upper West Side is now almost as chic as the Upper East Side. Being a 'swingle' has lost much of its glamour in recent years, thanks in part to herpes and AIDS and an increasing interest in family life. Stylish 'singles ghettos' have been invaded by marrieds, and are beginning to echo with the cries of babies. Couples with children are the cutting edge determining which areas now are hot."

Still, New York and Los Angeles remain relatively difficult settings for most marriages. Which cities scored highest? Top-ranked by a hair was Orlando, with a 4.7, not surprising in the minds of sample members since it has Disney World and the associated businesses as major local employers. "The place has the right tone and feel to it," said many respondents. Philadelphia, Pittsburgh and Cleveland, however, were right behind, each scoring a 4.6, and that was a surprise. As sample members explained, "A town doesn't have to be booming economically for it to be a good place to raise a family, though it can't be falling apart completely, either. People in Cleveland and Pittsburgh have maintained their willingness to work and fondness for stability. They are educated, friendly—though not overly so, you never get the feeling you're in Dallas—and quite down to earth."

What was the lowest-rated city? Albuquerque, with a 1.8. While acknowledging that it has some good business opportunities, especially in construction and real estate, managers didn't like the effect of this town on their children. Their comments: "You can't help but notice an undercurrent of rebellion there, one that is stronger than that

Srully Blotnick is a business psychologist and author of Ambitious Men: Their Drives, Dreams and Delusions, *just published by Viking Press.*

found in any other major U.S. city. Teenagers absorb this, and it makes them a bit more pugnacious—even five to ten years later—than they would be if they'd been raised in Cleveland or Pittsburgh.

"Albuquerque is torn between wanting to be part of the business mainstream and having a separate Wild West culture all its own. The place gives you a sense of being isolated, and it's more antagonistic—in a quiet way—than other large cities to people transplanted from one of the northern states or the East. Making friends of your neighbors is no easy task. To survive there, your marriage better be pretty solid to begin with."

New Orleans was seen by the sample as, in some ways, Albuquerque's opposite. Yet it received a score of only 2.5. How come? Their view: "With energy-related companies hurt and shipbuilding down, New Orleans is trying to make more money from tourism. But if this city pushes that 'good-times' image much harder, it's going to get a municipal hernia. Being on display all the time is a strain for a city. Doing it day after day divorces you, first from your emotions, and eventually from your spouse."

The sample's view of Dallas (2.7) and Houston (2.6): "Anyone who tells you that poor people fight about money more than affluent ones do never overheard the blistering marital battles that took place in Dallas and Houston in the 1970s and 1980s, when energy prices were soaring. Couples were torn apart because each partner came to believe that every dream—financial, social, whatever—could come true."

And when it didn't? "Then, more than in other major U.S. cities, it was thought to be okay to point a finger at your spouse and say, 'It's your fault.' In New York and Los Angeles that line doesn't wash; you're considered responsible for your own failures. In spite of the allegedly high value placed on rugged individualism in Dallas and Houston, this kind of scapegoating was—and still is—endemic."

The collapse in energy prices has actually improved the outlook for marriage in these two cities. Even though jobs are scarcer, the performance pressure on couples has decreased. "Since dreams don't become grandiose nearly as often now, it isn't as necessary to find a scapegoat when they don't come true. Be that as it may, having the 'right' spouse is more important there than it is elsewhere."

The city about which there was the greatest difference of opinion was Denver, which scored a neutral 3 as a result. The consensus view: "When husbands and wives start to fight there, the disputes usually intensify fast. The same sense of adventure and individuality that made people move to Colorado in the first place makes each say, 'Time for me to hit the road—traveling light and alone—again.' That mentality makes it difficult to make up after a quarrel. You feel like you're compromising your love of—and commitment to—the great outdoors."

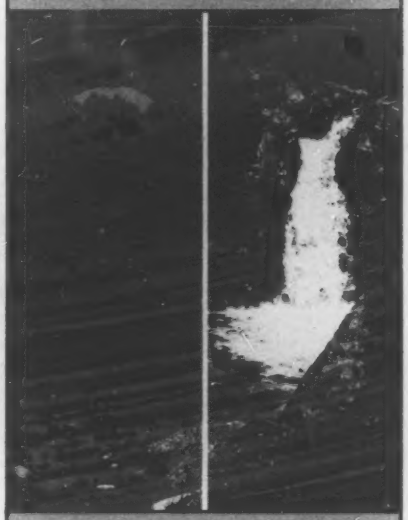
No, moving to another city won't save a bad marriage, nor will it wreck a good one. But in the wide range in between, where you live does matter significantly. Cities may look alike but they have very different effects on the relationships people have while living there. ■

Geography is destiny

The effect of cities on marriage, ranked from 1 (negative) through 3 (neutral) to 5 (positive).

Orlando	4.7
Philadelphia	4.6
Pittsburgh	4.6
Cleveland	4.6
Tampa/St. Petersburg	4.4
Cincinnati	4.4
Baltimore	4.3
Chicago	4.1
Kansas City	4.0
Detroit	4.0
Hartford/Stamford	3.9
San Diego	3.6
Honolulu	3.5
Phoenix	3.4
Seattle	3.3
Richmond	3.3
Minneapolis	3.3
Milwaukee	3.2
Columbus	3.2
San Antonio	3.1
Denver	3.0
Atlanta	2.9
Boston	2.8
Miami	2.8
Dallas	2.7
Houston	2.6
San Francisco	2.6
New Orleans	2.5
Washington, D.C.	2.4
Los Angeles	2.3
New York	2.1
Albuquerque	1.8

The Rio Grande Cutthroat Trout are biting at Forbes Magazine's 400-square-mile Trinchera Ranch in the Colorado Rockies—and you're invited to try your luck.



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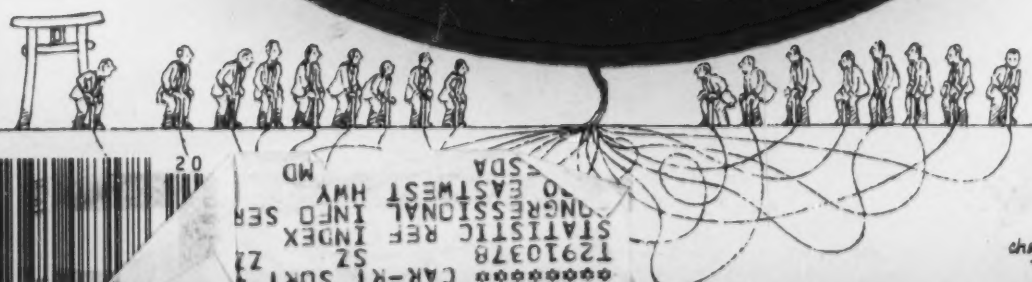
WILL INTEREST RATES DERAIL THE ECONOMY?

Forbes

ZEN AND THE ART OF JAPANESE STOCK PRICING



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Forbes

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VOLUME 139
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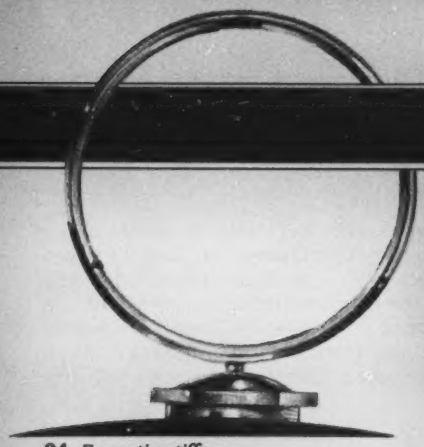

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May 18, 1987 Volume 139 Number 11 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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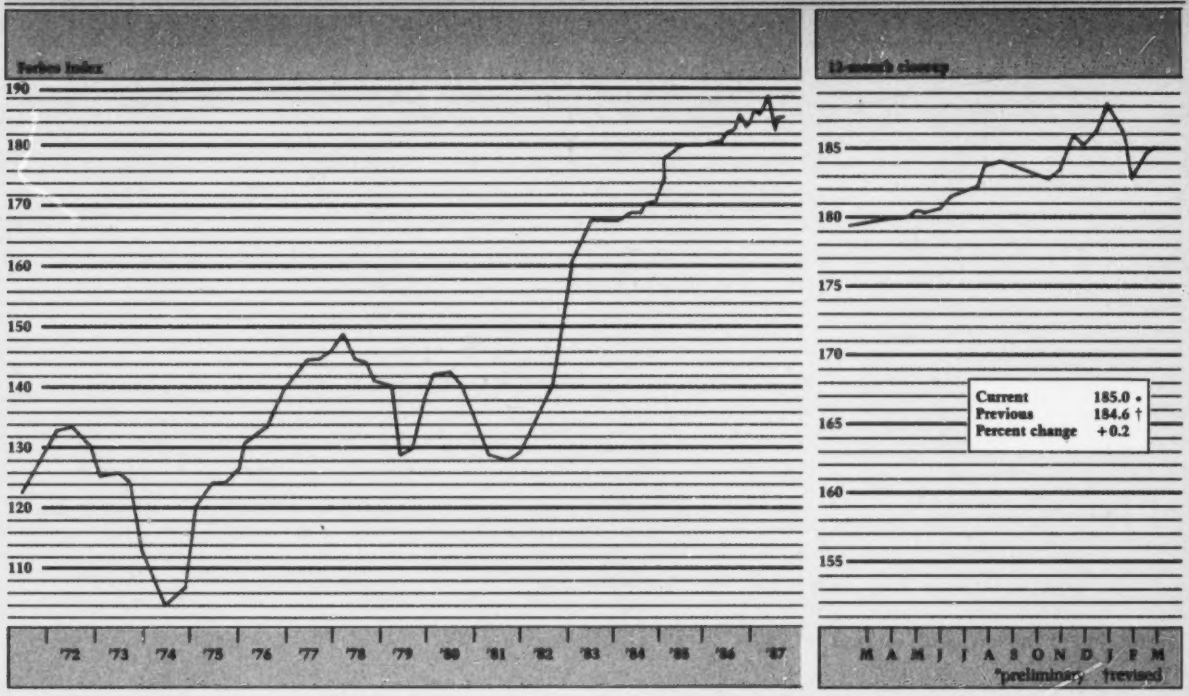
The Forbes Index



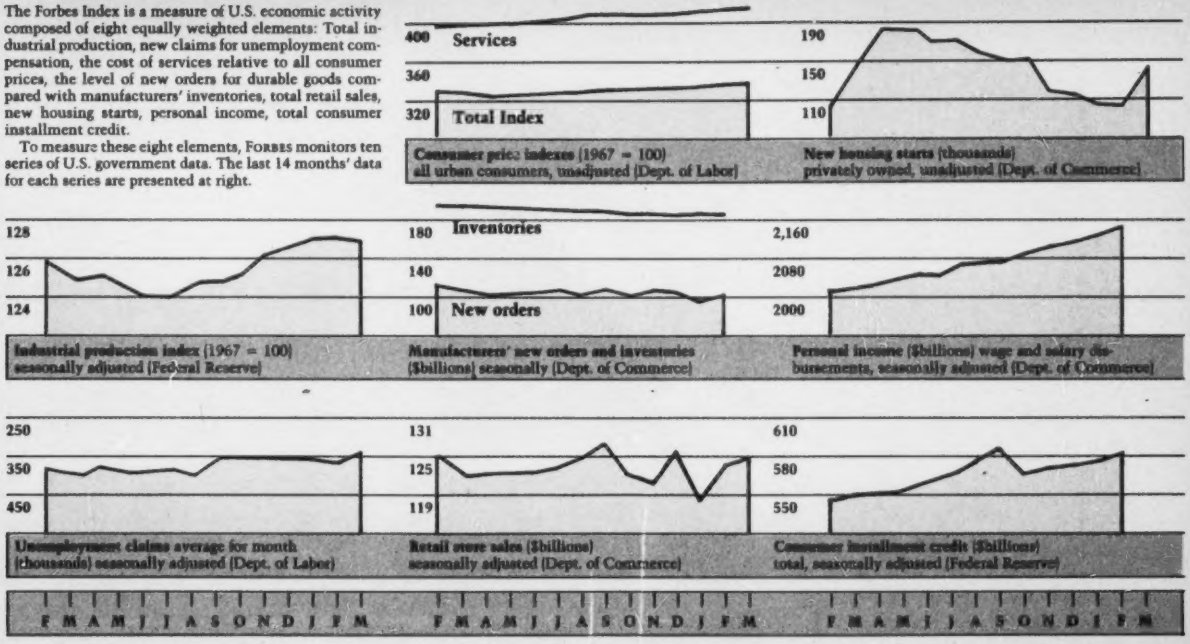
Housing shortage. The Forbes Index rose 0.2% in the latest period, but there is limited joy in the fact. There were 143,000 housing starts in March, against 102,000 in February. But the March total was down 8,000 from a year earlier, so the 12-month trailing total for new homes (one of eight elements in the Index) declined 0.4%. Another drag was industrial production, off 0.3%, reflecting a cutback in domestic auto production, from an 8.3 million annual rate in February to 7.9 million in March.

Retail sales helped the Index by climbing 0.2% from February to March. Consumers may be burdened with historically high debt levels, but that didn't stop them from purchasing some $125 billion worth of goods in the most recent month, vs. $117 billion a year ago.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



A decade or so ago FORBES called accounting "the latest glamour profession." Times have certainly changed.

Blood on the ledger

By Richard Greene

THINGS ARE GETTING rough in accounting. Competition for clients grows rougher, malpractice lawsuits multiply, insurance costs escalate and recruiters find themselves outbid for bright young business school talent by rivals from Wall Street.

Now Congress is butting in. That old business-baiter, Representative John Dingell (D–Mich.), is preparing to hold House hearings on the profession, which, among other things, will explore regulating the nonaccounting business activities of accountants.

Former Securities & Exchange Commissioner James Treadway has just completed a study on the accounting profession, putting forth proposals the profession would have viewed as heresy only a few years ago. Among them: Accountants should be held professionally responsible for detecting fraudulent financial reporting in the clients they audit.

One of the issues attracting all this attention is the accounting profession's steady move into consulting: designing computer systems, engaging in strategic planning and providing financial counseling.

What's wrong with a bit of diversification? Simply this: An auditor is supposed to be absolutely independent, and the lure of consulting dollars could conflict with that. Even more significantly, an auditor who is, in effect, overseeing the work of his partner, the consultant, might be tempted to be less zealous in searching the clients' books. Says Joseph Connor, Price Waterhouse's senior partner: "There may be a lessening of professionalism that comes about through unrelenting commercialism."

Richard Derk

Arthur Andersen's managing partner, Duane Kullberg
In five years, will it really be an accounting firm he heads?

Yet the work is certainly profitable. Take Arthur Andersen, the nation's biggest accounting firm (number two worldwide, after Peat Marwick). Arthur Andersen now derives 33% of its almost $2 billion in worldwide revenues from consulting—primarily designing computer systems. Not coincidentally, Andersen's per-partner revenues are also about twice the industry average *(see table, p. 204)*.

By the mid-1990s virtually all the Big Eight firms,* which together audit all but a handful of The Forbes 500s companies and collectively grossed $13 billion last year, will likely be where Andersen is today. All will be increasingly dependent on consulting for their livelihood.

The trend persists despite criticism. Touche Ross has acquired Garr Consulting Group, a retail distribution and engineering consulting firm, and merged with Braxton Associates, a Boston-based strategic management firm. Price Waterhouse has acquired four consulting firms in the last three years. Peat Marwick bought a reported 35% interest in Regis McKenna & Co., a leading California management consulting firm.

Even as the industry moves into consulting, its legal problems from auditing mount. When a company goes bankrupt, its accountants are frequently the only target left with enough money to pay angry shareholders who want to blame someone for their misfortune.

Most of the Big Eight already face at least one such potentially devastating lawsuit. Those actions are made all the more threatening by the fact that the Big Eight are hard-pressed to get substantially more than $100 million in malpractice insurance from independent insurance companies—not enough to cover the potential losses in many of the suits in question.

At Peat Marwick the suits involve the firm's failure to foresee the insolvency of Oklahoma's Penn Square Bank. At Ernst & Whinney, problems trace to whether or not there were audit failures involving Continental Illinois National Bank & Trust Co. Touche Ross is burdened with suits arising out of the failure of Beverly Hills Savings & Loan.

Arthur Andersen alone has been tagged with a reported $137 million in payouts in recent years and now admits to refusing more and more "au-

* *The Big Eight firms: Arthur Andersen, Arthur Young, Coopers & Lybrand, Deloitte Haskins & Sells, Ernst & Whinney, Peat Marwick, Price Waterhouse and Touche Ross.*

dit risks" out of fear of more litigation.

Why are the firms so wary? When corporations are sued, it is usually the shareholders who wind up paying, but when accounting firms are hauled into court, it is the partners themselves who are personally on the line.

Litigation is one reason firms are having trouble recruiting top talent. Another is pay. Small wonder, while partners at Big Eight firms can easily make $200,000 a year, starting pay for top M.B.A.s is only about $35,000 per year, or half what's available to similarly qualified graduates at Wall Street firms like Bear, Stearns & Co. or Goldman, Sachs & Co. "When an investment banker comes to recruit," says Michael Granof, chairman of the accounting department at the University of Texas, "he's surrounded by students who want to give him a résumé. He's been talking about salaries of $80,000. The accountants who recruit come nowhere near that."

Alex Quesada

Deloitte Haskins & Sells Chairman Michael Cook
The most accounting-oriented of The Eight.

As for career advancement, it takes as long as 12 years to make partner at a Big Eight firm, vs. no more than 7 years to reach a similar ranking at a top corporate law firm—where the money is better anyway. Worse, the notion that once having attained partner status a person was set for life was itself badly shaken two years ago when Peat Marwick shoved a number of its partners into early retirement to free up cash for the Regis McKenna acquisition and other adventures.

The merger boom has further intensified pressure on the industry. When General Foods merged with Philip Morris in November 1985, Price Waterhouse lost General Foods, while Coopers & Lybrand not only held on to Philip Morris but wound up with General Foods to boot. When General Electric acquired RCA, Peat Marwick got the newly merged firm, while Touche Ross lost its old client, RCA.

The problem in such arrangements is that each of the mergers results in a net loss of audit dollars. Explains Michael Cook, chairman of Deloitte Haskins & Sells, "The audit fee of two combined firms in a merger is about 65% of the combined audit fees of the two firms taken independently." That's a terrific cost savings for the companies involved, but terrible for the accounting firms involved. Thus, the firms have been increasingly chasing after smaller and smaller corporate clients. Now some big accounting firms are certifying the paperwork on LBOs and new stock offerings.

As the pressure intensifies, competition for clients sometimes bursts into public view in embarrassing ways. Take the case of KMG, a leading international accounting firm with a large presence in Europe. Anxious to merge with a Big Eight firm, it caught the eye of Peat Marwick. But no sooner was the agreement disclosed late last year than rival Big Eight firms began seducing entire KMG national accounting operations, such as those for Spain and Japan.

Or consider the matter of William Webster, managing partner of Arthur Young & Co.'s Dallas office, who openly accused rival firm Arthur Andersen earlier this year of "lowballing" its bid to audit the books of

Rating The Eight

Since merging with international accounting firm KMG, Peat Marwick has recaptured its spot as the biggest of the Big Eight worldwide. But in terms of fees per partner—the closest thing to a profitability figure available—Peat ranks sixth. That may change if KMG partners leave.

Firm	Total fees worldwide ($mil)	% of business in: audit	tax	consulting	Number of partners	Fees per partner ($thou)	Biggest U.S. audit client
KPMG/Peat Marwick*	$2,500	60%	25%	15%	5,000	$500	General Electric
Arthur Andersen	1,924	47	20	33	1,847	1,042	Texaco
Coopers & Lybrand	1,700	61	21	18	2,946	570	Ford Motor
Ernst & Whinney	1,492	62	20	18	2,640	565	RJR Nabisco
Price Waterhouse	1,488	59	20	15	2,291	650	IBM
Arthur Young	1,427	59	26	15	2,580	553	Mobil
Deloitte Haskins & Sells	1,188	67	18	11	2,192	542	General Motors
Touche Ross	1,151	59	19	16	2,600	443	Sears, Roebuck

*Numbers for KPMG/Peat Marwick are most recent available.

Sources: International Accounting Bulletin; Big Eight Review; *individual firm data.*

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Dallas, Tex.-based First RepublicBank Corp., the newly formed $35 billion bank holding company. Webster claimed in the *Dallas Times Herald* that Andersen submitted a bid 85% below what top firms normally quote for such services—a charge that the rival firm equally vocally denied.

One of the hottest battlefields is technology: Who has the most computers, the most sophisticated software systems, the greatest ability to "interface" with a client. Boasts Larry Horner, chairman of Peat Marwick in the U.S., of his firm's 7,000 personal computers: "I believe we have devoted more time, money and effort to making our people more computer-literate than anyone else." Pish tosh, retorts Arthur Young's Chairman William Gladstone of his firm's computer audit capabilities: "I believe I can safely say we're in a whole different league." Nuts to you both, says Coopers & Lybrand's Peter Scanlon: "We have the largest computer audit library in the world—and that's no baloney."

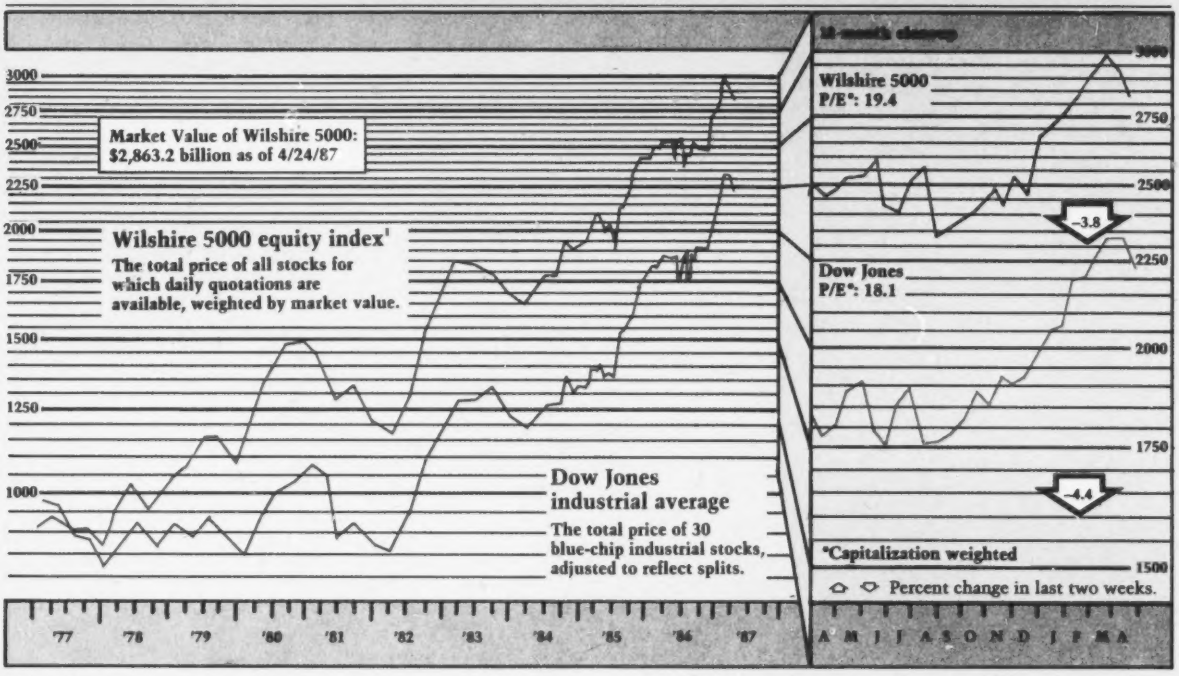
"When an investment banker comes to recruit, he's surrounded by students. He's been talking about salaries of $80,000. The accountants who recruit come nowhere near that."

Happily, accounting remains for now at least one of the nation's most admired professions, as shown by a recent Louis Harris poll of shareholders and business leaders who believed accounting to have the highest moral practices of any major profession—better than college professors, lawyers, congressmen, journalists.

Yet if something happens to that credibility, there is more at risk than simply the fortunes of the men and women in the green eyeshades. In theory, it is fine if accounting firms want to pursue opportunities in related business fields like strategic or financial consulting. There's even a strong contingent of thought that such endeavors will help the firms better understand their clients—and as a result do better audits for them. But the stakes involved are huge. In the practical world of the marketplace, certified public accountants are the only guarantors of financial integrity the capitalist system has. The further the industry strays from its roots, the bigger the chance of doing damage to its credibility with the public, and that is something from which ultimately no one can profit. ■

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Why investors get indigestion. In a two-week period marked by increased volatility, the Wilshire index of 5,900 issues fell 3.8% and lost $79 billion in market capitalization. Bigger stocks paced the dismal performance of the Wilshire, while smaller shares were hit even harder. The Amex lost 4.8%, the Nasdaq 4.2%. Heavy selling brought 391 exchange-listed issues to new 52-week lows. While some capital was moved into gold and gold stocks *(p. 248)*, a diverse list of 343 stocks ran counter to the falling market and hit new highs. Among them: Alcoa, Burlington Industries, Cummins Engine, Eastern Co., Gerber Scientific, LIN Broadcasting, Paccar, Prime Computer, Stanadyne, St. Joe Gold.

In two weeks the P/E ratio on the Wilshire index fell from 20.3 to 19.4. This drop, while significant, has not put stocks on the bargain counter. And for most economic sectors security analysts made slight downward revisions in their 1987 earnings estimates *(see next page)*.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–5.3	–5.4	–4.3	–5.3	–4.8	–5.5
in last 52 weeks	12.7	12.1	21.8	14.2	17.8	5.2

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–6.4	–2.2	–1.4	–2.2	–3.7	–5.7	–4.8	–0.5	–0.3	–4.7	–5.3	–0.8
in last 52 weeks	13.8	34.8	50.2	22.3	13.4	10.7	7.7	39.7	52.6	14.7	14.6	23.7

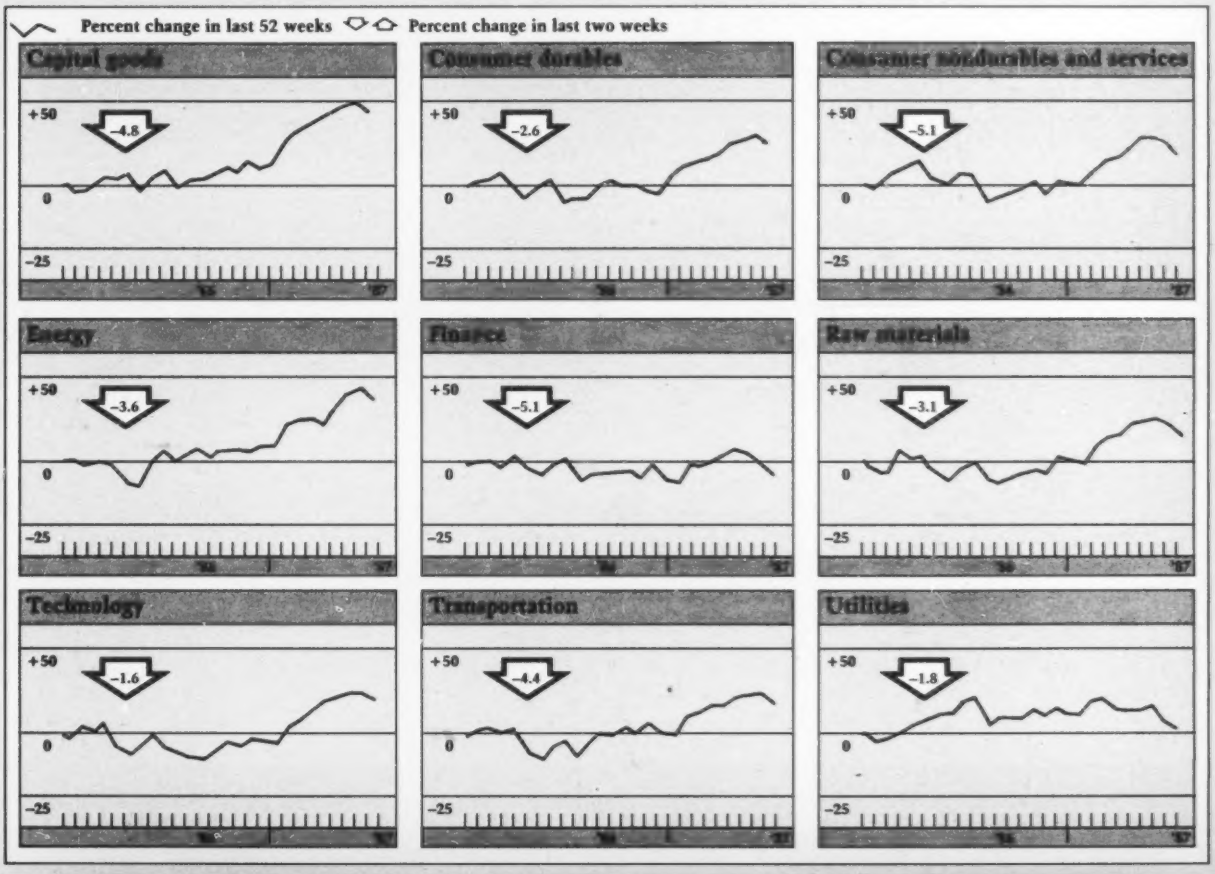
[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 4/24/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Guy French

Where The Action Is

Trading places. One year ago the energy sector had the worst 52-week performance, having declined 7.8% from late April 1985 to April 1986. At the same point a year ago, finance was the third-best-performing group, having gained 42.5%. What a difference a year makes. Energy is now in first place. The oil sector shows a 40.9% increase over the past 52 weeks. Rising crude prices helped energy stocks. Rising energy prices, of course, have also contributed importantly to the runup in interest rates, which is now hurting finance shares. The finance group fell 6.9% over the last 12 months and now ranks as the worst-performing sector. Utilities, which are also interest-sensitive, began losing their appeal over a year ago and remain in eighth place.



What The Analysts Think

Countercyclical. Last year, in the midst of OPEC's collapse, oils sold for a cheap 10.9 times estimated 1986 earnings. Evidently that was too cheap, since the sector has been the hottest performer over the past 12 months. Now oils are favorites. The sector is trading at a lofty 17.5 times expected 1987 earnings.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.60	18.0
1987 estimates	3.50	13.4
1988 estimates	4.11	11.5

Rank based on change in estimates	Industry	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Raw materials	$2.38	15.8	0.99%	1.00%
2	Energy	2.64	17.5	0.44	0.06
3	Consumer nondurables	2.46	16.4	-0.13	-0.21
4	Consumer durables	3.46	13.0	-0.20	1.01
5	Utilities	2.78	9.7	-0.30	0.38
6	Finance	3.56	9.1	-0.34	-0.49
7	Capital goods	2.46	17.2	-0.38	-0.49
8	Technology	2.66	16.4	-0.50	-0.88
9	Transportation	2.37	14.4	-2.80	-4.59

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 4/24/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

One way to play gold is via shares in mining companies. Which ones?

Risky hedges

By Michael Ozanian

GOLD MINING SHARES are in the spotlight again as inflation fears creep back. One appeal is the tremendous operating leverage in the business—which, of course, also increases the risks. The balance sheets of gold mining companies are often quite clean, but there remains the matter of operating leverage—what a change in revenues does to the bottom line.

Consider Homestake Mining, whose mines in South Dakota, California and elsewhere have an average break-even of about $260 an ounce. When gold is $360, the company is profitable; if gold is 25% higher, or $450, the profits should almost double. Giant Yellowknife Mines, with a somewhat lower break-even on its mines, is less leveraged.

Operating leverage, then, is of prime importance at gold miners. The most confident gold bulls will pick the companies with the greatest sensitivity to changes in the price of gold. As Nicolas Toufexis, a vice president of research at Prudential-Bache Securities, explains it: "The stocks that are going to hit the home run when gold goes to $600 an ounce are the high-cost producers."

Toufexis' analysis of earnings sensitivity is presented below. We show 1986 earnings—meager for many firms, since the price of gold averaged $368 in 1986. Alongside them we show a projection for 1987 earnings if gold averages $550 an ounce this year. Gold has a way to climb to make that average: It started the year at $403 and at press time was still only $464.

Strong gold prices go hand in hand with a weak dollar. At its peak in February 1985, a dollar would have purchased 263 yen or 109 milligrams of gold. Now a dollar will buy you only 140 yen or 67 milligrams of gold. The dollar has fallen 47% against the yen and 39% against gold.

Whether inflation comes back or not, the market seems convinced that $400-plus gold is here to stay. The average gold producer sells for 56 times latest 12-month earnings, the overall market for 21 times. ■

Leverage

Gold mines differ greatly in operating leverage—and hence in share volatility—because of variations in production costs. Earnings at the highest-cost operators are usually the most sensitive to changes in gold prices. The estimates show what these North American operators could earn if gold averages $550 this year.

Exch	Company	Recent price	1986 sales ($mil)	Earnings per share* 1986	Earnings per share* with gold at $550[1]	% gain	Reserves (000 oz)[2]	Stock price per ounce of reserves
o	Agnico-Eagle Mines	30¾	$28.8	$0.15	$0.73	388%	360	$1,190
o	Battle Mountain Gold	38½	91.0	0.63	1.41	124	1,510	1,097
n	Campbell Red Lake Mines	30½	142.4	0.44	1.00	128	2,025	768
n	Dome Mines	17	222.6	0.61	0.97	60	2,540	602
a	Echo Bay Mines	42½	126.1	0.61	1.61	164	5,500	348
n	Freeport-McMoRan Gold	21¼	69.2	0.34	0.97	223	2,194	400
a	Giant Yellowknife Mines	19¼	440.8	0.68	2.26	233	460	292
n	Homestake Mining	38¼	347.7	0.46	2.13	362	10,173	182
t	Intl Corona Resources	36¾	3.1	–0.11	2.04	NM	5,859	98
n	LAC Minerals	32¼	189.8	0.17	1.10	546	4,750	192
o	Lacana Mining	14¼	27.5E	0.49	0.89	82	360	759
n	Newmont Gold	33	174.5	0.42	1.08	157	12,320	280
a	Placer Development	36⅛	330.6	1.21	1.92	59	2,751	609
t	Sigma Mines	17⅝	26.5	0.56	1.32	137	610	238
a	St Joe Gold	19¾	107.3	0.25	1.01	305	1,710	358

*Excludes nonrecurring gains or losses. [1]Estimated earnings if gold averages $550 in 1987. [2]Estimate of proven plus probable reserves. E: Estimated. NM: Not meaningful. a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. t: Toronto Stock Exchange. Amounts for Canadian companies converted to U.S. dollars.

Source: Prudential-Bache Securities.

The Forbes/TUCS Institutional Portfolio Report

Edited by Steve Kichen

The value fans haven't been doing too well. That's in contrast to 1986, when the most successful institutional stock pickers were those who focused on such fundamentals as book value, cash flow and assets. But in the first quarter of 1987 the value managers had a total return of 17.6%, which gave them a last-place finish. Managers who stuck with established medium-to-large growth stocks made out best. This management style was good for a total return of 23.5%. Stocks such as IBM, Digital Equipment, Tandem Computers, Texas Instruments and Hewlett-Packard showed significant increases in institutional holdings and all scored above-market total returns. There is, of course, an element of self-fulfillment here. The stocks were up in large part because the institutions loved them so much.

Our survey of institutional investing habits comes courtesy of the Trust Universe Comparison Service, run by Santa Monica, Calif.-based Wilshire Associates. TUCS monitors performance of some 22% of the estimated $1.8 trillion of the U.S.' corporate and governmental pension funds under professional management.

If value investing means buying cheap, then it's perhaps no surprise that value players are being left in the dust of this runaway market. By Mar. 31, 1987 the median pension portfolio was selling for nearly 19 times latest 12-month earnings and an unheard-of 2.9 times book value. Were professional investors intimidated? Apparently not. Last quarter the institutional managers allowed their exposure to common shares to rise from 54.6% to 57.2%. They were, on balance, pulling money out of stocks (note the –3% "shift in institutional holdings" in the table at right) but not fast enough to compensate for the runup in stock prices.

The median total return (capital gains plus dividends) on pension stock portfolios was 21.3% in the first quarter of 1987. This nearly matches the 21.2% total return of the Wilshire index of 5,900 common stocks and the 21.3% return of the S&P's 500.

The last TUCS report (FORBES, *Feb. 23*) noted that emerging growth stocks—mostly high-technology issues—appeared to be selling at a premium that was smaller than usual. As it turns out, those managers who emphasized such issues had the second-best results for the first quarter, a 22.3% total return.

How different managers performed

Manager style	Total return recent quarter	12 months	24 months[3]
Diversified	19.3%	22.9%	28.9%
Growth	23.5	23.3	31.1
Growth—emerging	22.3	18.6	26.1
Market timer	19.1	20.8	28.2
Sector rotator	18.7	19.8	28.3
Value	17.6	22.0	29.5

Where the institutions put their money

Segment	—Portfolio weighting— most recent quarter	previous quarter
Equity	57.2%	54.6%
Fixed income	30.0	32.3
Cash and equivalents	9.6	9.9
Convertibles	0.9	0.8
Other[1]	2.3	2.6

Equity portfolio characteristics

	Institutional portfolios	Wilshire 5000
Price/earnings ratio	18.8	18.0
Dividend yield	2.7 %	2.7 %
Beta[2]	1.04	1.06
Price/sales	1.11	1.05
Price/book	2.89	2.80

Segment performance and cash flows

Segment	—Most recent quarter— median total return	shift in institutional holdings	——Latest 12 months—— median total return	shift in institutional holdings
Equity	21.3%	–3.0%	23.9%	–5.2%
Fixed income	1.4	–3.8	8.7	–5.4
Cash equiv	1.5	0.1	6.5	8.2
Convertibles	10.7	0.6	15.9	–19.2
Other[1]	2.5	–1.7	8.9	–4.5
Total	11.2	–1.3	16.8	–3.3

Position changes: These securities had the greatest relative change in holdings over the last quarter.

Security	Increase in holdings	Total quarter return	Security	Decrease in holdings	Total quarter return
IBM	3.0%	26.1%	Norfolk Southern	–2.3%	11.7%
Digital Equip	2.4	54.3	SmithKline Beck	–2.2	10.8
Ford Motor	2.1	51.3	Pacific Telesis Gp	–1.4	1.5
K mart	1.6	43.8	Monsanto	–1.3	3.3
Tandem Comp	1.6	108.0	ITT	–1.3	12.4
Occidental Pete	1.4	23.8	Halliburton	–1.2	44.8
Gannett	1.2	29.6	AT&T	–1.0	–4.4
Westvaco	1.1	19.9	Bell Atlantic	–1.0	1.4
Texas Instru	1.1	57.5	Citicorp	–0.9	–3.7
Hewlett-Packard	1.0	35.9	Nynex	–0.9	4.6

[1]Real estate, foreign investments, venture capital, guaranteed insurance contracts. [2]A measure of risk. A stock with a beta of 1.00 tends to move up or down at the same rate as the S&P's 500. [3]Figures for 24 months are annualized.

Note: Data for quarter ending 3/31/87. Prepared by the Trust Universe Comparison Service (TUCS®), a service of Wilshire Associates, Santa Monica, Calif.

Where the institutions are—and aren't

Most overweighted relative to Wilshire 5000			Most underweighted relative to Wilshire 5000		
	% of			% of	
Security	institutional universe	Wilshire 5000	Security	institutional universe	Wilshire 5000
Digital Equipment	1.4%	0.8%	Exxon	0.9%	3.0%
K mart	0.6	0.3	IBM	2.7	4.3
Tandem Computers	0.3	0.1	AT&T	0.4	1.6
Cray Research	0.3	0.1	British Petroleum	0.2	1.2
Ford Motor	1.0	0.8	General Electric	1.5	2.3
Apple Computer	0.3	0.2	BellSouth	0.3	1.1
General Re	0.5	0.3	Royal Dutch Pete	0.7	1.5
Squibb	0.5	0.4	EI du Pont de Nemours	0.6	1.2
Occidental Petroleum	0.4	0.3	BAT Inds	0.1	0.6
NCR	0.4	0.2	Bell Atlantic	0.3	0.8

Do the institutions like Ford more than GM? Not really, but Ford's one class of common accounts for a larger portion of the total capitalization of the consumer durables sector than GM's largest common class. When GM's class E and class H stocks are added in, the firm's total capitalization is raised by more than $5 billion. During the last three months the institutions unloaded defensive stocks such as consumer nondurables and interest-sensitive groups such as utilities and finance shares. Showing biggest gains were capital goods and consumer durables.

Sector activity and top holdings

% of institutional portfolio: ■ most recent quarter ■ previous quarter

Capital goods	4.7% 4.5%	Consumer durables	5.0% 4.8%	Consumer nondurables	28.3% 28.4%
	total return		total return		total return
General Electric	22.7%	Ford Motor	51.3%	Philip Morris	19.5%
Emerson Electric	25.1	General Motors	20.3	Merck	25.3
Westinghouse Electric	16.3	Chrysler	50.4	Eastman Kodak	13.3
Caterpillar Tractor	20.6	Goodyear Tire & Rubber	31.1	K mart	43.7
Cooper Industries	33.9	Whirlpool	12.2	Sears, Roebuck	29.2
Energy	**9.9% 9.7%**	**Finance**	**13.1% 13.9%**	**Raw materials**	**13.8% 13.3%**
	total return		total return		total return
Exxon	23.6%	American Express	32.0%	EI du Pont de Nemours	34.3%
Royal Dutch Petroleum	23.4	American Intl Group	18.7	Dow Chemical	35.4
Amoco	23.5	General Re	6.9	Waste Management	32.0
Chevron	25.1	Aetna Life & Casualty	11.0	Allied-Signal	15.5
Mobil	20.2	Cigna	–3.7	Monsanto	3.3
Technology	**14.8% 14.8%**	**Transportation**	**3.8% 3.7%**	**Utilities**	**6.6% 6.9%**
	total return		total return		total return
IBM	26.1%	Union Pacific	21.7%	Southwestern Bell	5.8%
Digital Equipment	54.3	CSX	9.9	GTE	7.2
Hewlett-Packard	35.9	AMR	–2.6	Nynex	4.6
Minnesota Mng & Mfg	11.7	Delta Air Lines	14.5	Pacific Telesis	1.5
ITT	12.4	Ryder System	21.7	AT&T	–4.4

MONEY & INVESTMENTS

Beef remains the meat of choice in U.S. diets. That's bullish for cattle.

THERE'S THE BEEF

By Stanley W. Angrist

For all the noise about fitness and the anxiety about cholesterol, beef is still the meat Americans prefer over anything else they kill for the table. It's true that beef has lost market share. But most of the gains poultry has made in the last six years have come at the expense of pork, not beef.

Still, a loss there has been. And on top of that there has been an important shift in taste over the years among beef eaters as a group—down with choice cuts, up with hamburger. Result: The record beef herds of 1975 were liquidated on a grand scale in 1978-79.

But there's evidence that herds are being rebuilt. If that continues, there will be created a condition that cattlemen call "whiplash." To understand its workings you need to know a few facts about the cattle cycle. About 1.4 head of breeding inventory are required to produce a calf. Thus, when cattlemen decide to produce 1 million head fewer, they bring to market 1.4 million head more. This is why beef production has been near record levels in recent years, while cattle numbers have declined.

Stanley W. Angrist is a commodity speculator, consultant and longtime observer of the commodity markets.

The same leveraging effect occurs, of course, when the cycle heads the other way. When cattlemen want to expand their herd size by 1 million, they must withhold 1.4 million head from the number they would normally bring to market. The last time this kind of change took place was in the 1978-79 cycle. The table *(below)* details the impact of that change on supplies. The effect on prices? In 1978 choice steers were selling for about 52 cents a pound, while feeders sold for about 59 cents. By 1979, when the whiplash had taken full effect, choice steers had moved up 29%, while the average price of feeders had increased 41%.

If cow/calf operators stop liquidating herds this year, beef supplies will drop sharply. Beef/cow inventories are now 9% below the 1979 level. So, if 1987 should become the whiplash year in the cycle, slaughter of cows and heifers could drop even more dramatically than in 1979. The table shows the potential effect on supplies.

Evidence of herd rebuilding is coming in.* The January *Cattle-on-Feed Report* showed that there were 10% fewer heifers in feedlots than last year, as opposed to 2% fewer steers. Cow slaughter has remained below year-ago levels each week since December 1986. Wholesale cow beef traded at a $30 discount to choice steer beef in November. The difference narrowed to $7 in January. These factors suggest that the holdback has begun and that 1987 will be the whiplash year.

If this is the whiplash year, there are a number of ways to play it. In the Apr. 20 issue, I described the synthetic long position that can be created using options. The current cattle situation looks like a perfect application for this technique. Buy the August 64 cattle calls and sell the August 60 puts at the biggest credit you can get. Then, even if August cattle doesn't make a strong advance but winds up between 60 and 64 cents, you will have a profit. The margin will be the debit created by the option purchased plus the futures margin that has to be put up on the short sale. I would limit my risk to no more than $600. The trade has unlimited potential profit in an advancing market. ■

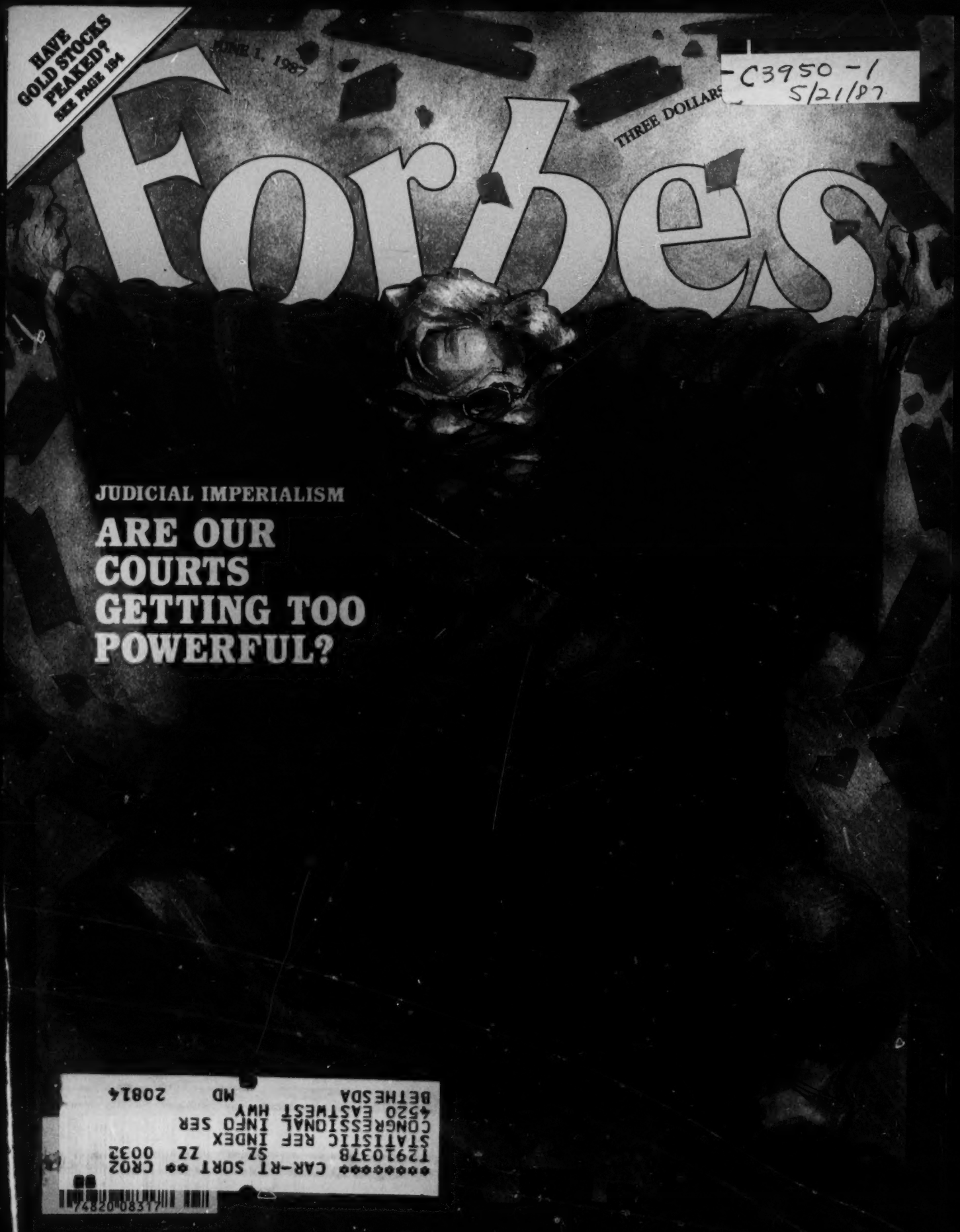
* *Commodity Information Systems, a fundamentals-based market service, has prepared a detailed analysis on the cattle market. You can get a copy and a two-month trial subscription to its selection program ($25) by calling 713-320-0112.*

If beef herds expand . . .

The cattle market completed its last move from herd liquidation to herd expansion in 1978-79. Note that as heifers and cows were held back from slaughter, beef supplies fell precipitously. Cattlemen call it the "whiplash" effect. If herds expand in 1987, the whiplash could be even stronger, because total inventory of cattle (figures not shown) is 10% below 1979 levels and beef/cow inventories are 15% below 1979 levels. (Numbers are in millions of head, except beef production—in billions of pounds.)

	1978-79 whiplash			Potential 1987 whiplash		
	1978	1979	% change	1986	1987*	% change
Steers	18.5	17.4	–6%	17.5	16.5	–6%
Heifers	11.8	9.7	–18	11.1	9.1	–18
Cows	8.5	5.9	–31	8.0	5.5	–31
Totals			–15%			–15%
Beef Production	24.0	21.3	–11%	24.2	21.5	–11%

*Estimated.



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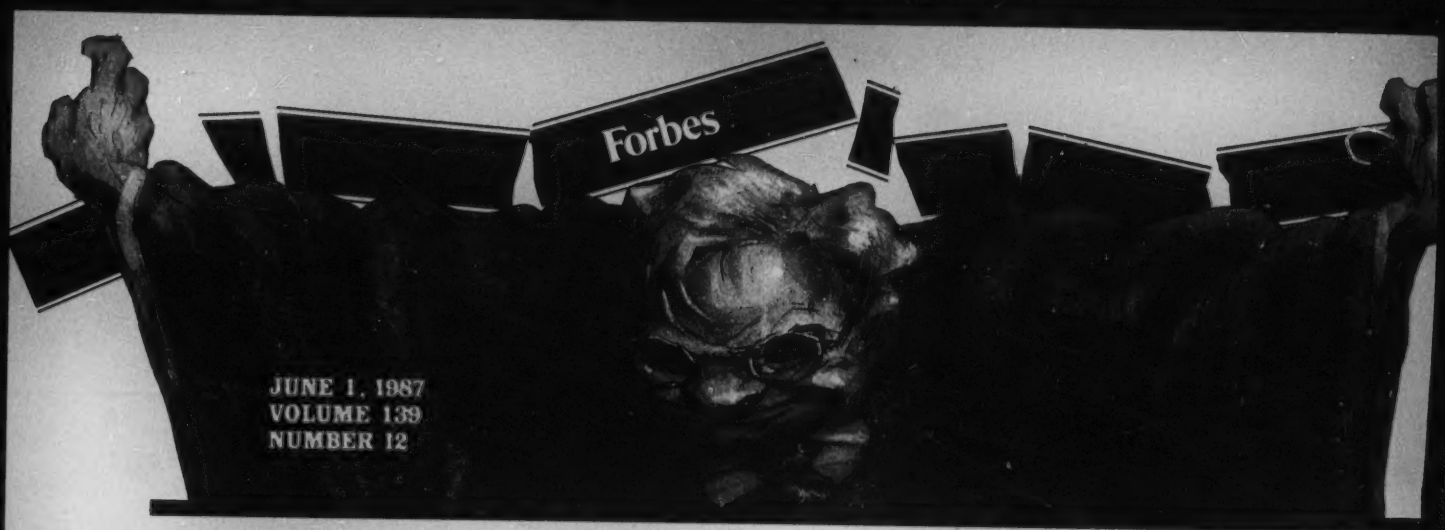

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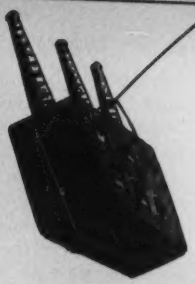

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June 1, 1987 Volume 139 Number 12 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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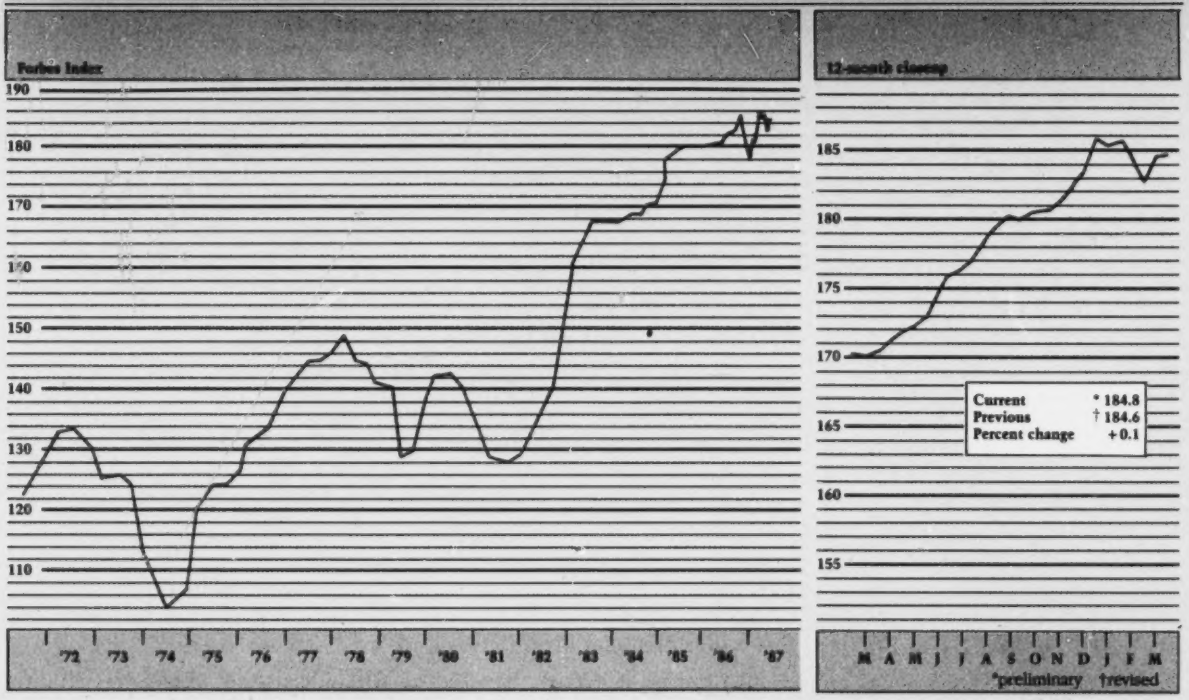
The Forbes Index



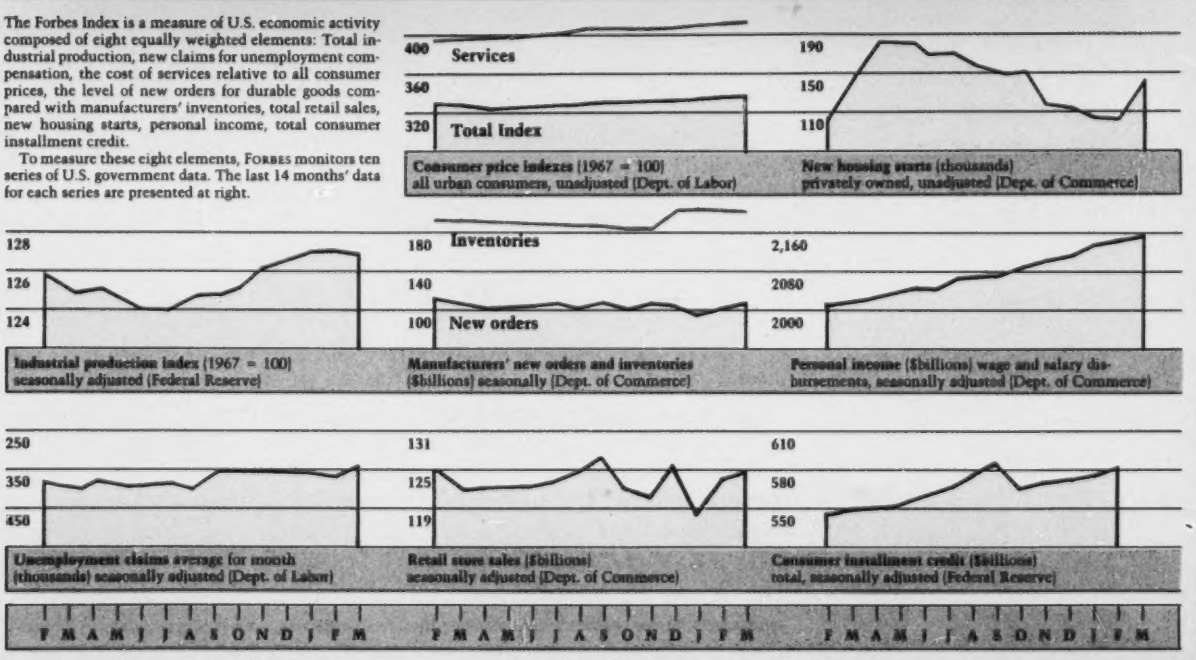
Ready, set. . . . The Forbes Index inched up 0.1%, to 184.8 (1967 = 100). Through the first quarter of this year, the Index rose at an annual rate of only 0.7%, vs. a 3.8% annual rate in the first quarter of 1986.

But there are signs of a pickup. The civilian unemployment rate, at 6.3% in March, is at its lowest level in seven years. That figure isn't used in the Index, but a trailing six-month total of initial unemployment claims is. The six-month figure, which measures long-term trends, has moved lower in each of the last eight months. In addition, the ratio of manufacturers' new orders for durable goods (three months through March) to durable goods inventories (March) increased 0.4%, while personal income went up 0.3% in March.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Wall Street has been quick to spot the big bucks in taking out the country's hazardous garbage. Some of the new issues smell pretty good. Others smell pretty ripe.

Cleaning up

By Burr Leonard

DEPENDING ON HOW you measure it, cleaning up the country's hazardous wastes is now a $35 billion industry. Only 5% or so of this unpleasant work is farmed out to the rapidly growing number of publicly owned hazardous waste companies. But their share is increasing, making a number of cleanup entrepreneurs—and their shareholders—very rich. According to Robert Brandl of hazardous waste consultants Roy F. Weston, Inc. in West Chester, Pa.: "We're just now touching the tip of the iceberg."

Brandl's firm is a good example of the new wealth in garbage. Founded 30 years ago, it went public last July at $8.50 a share (split-adjusted) and now trades at 17. That values $98.7 million (sales) Weston at $107 million.

As the table opposite shows, Weston is not alone. Canonie Environmental Services Corp. of Porter, Ind. went public last September at $15 and now sells at 26½. Norwood, Mass.' Groundwater Technology has also seen its market value nearly double since going public last July, to $144 million.

How about Miami, Fla.'s $5 million (sales) Enviropact, Inc.? It sold its first stock to the public last September at $3.25. The shares now trade at 20½—8 times revenues, 137 times earnings.

Propelling these gains is a giant helping hand from Washington, which recently authorized $8.5 billion for Superfund's cleanup of old sites. More important for the future, the new toxic waste cleanup standards set by the government in 1984 require a level of technical expertise and manpower lacking on the part of most manufacturers that generate toxic waste.

"Each time a regulation is enacted," grins Robert Fletcher, president of high-flying Enviropact, "it creates a new market opportunity for us."

Caveat emptor: Toxic cleanup is a complex industry, yet the brokers are retailing the new issues like so many potatoes in a sack.

This worries Thomas Levis, the managing director at New York-based Investors Co., a brokerage firm that specializes in environmental stocks. "Since the passage of [the government cleanup] laws, you have every small operation that's in any way associated with this business going public," Levis warns. Wall Street, he adds, "is taking advantage of high earnings multiples and the public's interest in the field." It's the old story: If toxic cleanup is in fashion, Wall Street will gladly retail it.

How to separate the jewels from the trash? The hazardous waste industry is best viewed as a mix of three basic subgroups: landfill disposal and fixed-base incinerator owners, remedial on-site cleanup companies, and purveyors of consulting and analytical services. Most companies offer some combination of the three, but each service comes with its own risks and potential rewards.

Steve Leonard

A Chemical Waste Management incinerator
Clean solutions for dirty problems.

The eight publicly owned commercial landfill operators have a powerful ally: politicians determined to limit their competition. "About 80% of all solid toxic wastes are dumped on landfills, at rates between $100 and $150 per cubic yard," says analyst Stephan Schweich of Alex. Brown & Sons. But in the past five years the federal government has shut about 75 of the country's 100 commercial facilities. Shrinking supply and increasing demand are usually favorable for owners.

"People are always saying, 'Gee, landfills are out, people are going to be treating wastes now,' and so on," agrees Richard Defieux, a venture capitalist at Princeton-Montrose Partners in Princeton, N.J. "But I'd be very happy to have a permitted landfill right now, because there aren't very many of them around."

Pretax margins for per-

Opportunities in refuse

Below, a dozen toxic cleanup companies that have recently gone public, organized by specialty. But note that most companies are expanding into new areas of expertise.

Name	Sales ($mil)	Profits ($mil)	Offering date	Shares outstanding (mil)	Shares offered (mil)	Offering price	Recent price	Price/ earnings ratio	Where traded
Commercial landfill and fixed-base incinerator operators									
Chemical Waste Management[1]	$416.0	$52.0	10/86	99.9	18.9	17¼	32¼	57	NYSE
Envirosafe Services[2]	31.6	2.3	5/87	3.8	1.4	15	15⅛	25	Nasdaq
On-site cleanup services									
Groundwater Technology	35.0E	3.3E	7/86	4.0	1.0	18½	36	44	Nasdaq
Riedel Environmental Technologies	33.3	1.3	5/86	3.2	1.0	17	21½	51	Nasdaq
Canonie Environmental Services	30.0	3.9	9/86	5.5[6]	1.8[4]	15	26½	37	Nasdaq
Consulting and analytical services									
Roy F Weston	93.7	2.7	7/86	6.3[3]	1.7[4]	8½	17[5]	40	Nasdaq
Ecology & Environment	30.4	1.4	3/87	3.8	1.0	15	19⅛	38	Amex
Versar, Inc	28.4	0.8	11/86	2.4	0.9	9¾	15	53	Amex
EA Engineering, Science & Tech	12.4	0.9	10/86	2.5	1.0	10	8½	24	Nasdaq
Hunter Environmental Services	12.2	0.7E	12/86	4.9	1.1	5	9	63	Nasdaq
Enviropact, Inc	5.0	0.2	9/86	2.0	0.6	3¼	20½	137	Nasdaq
Cambridge Analytical Associates	3.8	0.5	4/86	2.7	1.2	5	3½	NA	Nasdaq

[1]81% owned by Waste Management Inc. [2]64% owned by IU International Corp. [3]Includes 3.6 million Series A common stock. [4]Series A common stock. [5]Adjusted for a 3-for-2 stock split. [6]Includes 250,000 additional common shares offered in May 1987. E: Estimated. NA: Not applicable.

manently burying toxic wastes run about 30%, twice that of a typical remedial cleanup job. This helps explain why investors are willing to pay 57 times earnings for Chemical Waste Management, which has six landfills. The bad news is that landfills close to population centers are high-profile targets for regulators, citizen groups and contingency fee lawyers. Surprise explosions of volatile wastes have eaten the paint off nearby cars.

Warns Roy F. Weston's Bob Brandl: "A lot of those landfills go back years and years, to the time when there was no criterion other than having a large hole in the ground." In April the Environmental Protection Agency slapped Browning-Ferris' Livingston, La. landfill site with a suit that could cost the company $70 million. The 2,800 violations cited in the case date back to 1980, before many wastes were routinely tracked.

Another cleanup subgroup is formed by the so-called remedial or on-site cleanup companies. These help polluters minimize or recycle toxic waste as it oozes from the industrial process. Entry barriers are lower here than in the landfill business, but the skill and equipment needed keeps newcomers at a disadvantage.

"You go and look at an [on-site, mobile] incinerator, and it doesn't take you long to realize that this is a damned difficult thing to run," says Richard Fortuna, executive director of the Hazardous Waste Treatment Council, a trade group for 60 hazardous waste companies. "It's a real skill to do it right, to do it consistently, and to make money at it."

Riedel Environmental Technologies, Canonie Environmental Services and Roy F. Weston are remedial firms specializing in treating wastes on-site with bacteria, solar energy or ozone, as well as the now more established methods such as mobile incineration, which reduces waste bulk 85% or more by burning it, and containment, which adds cement dust to the waste, and then creates a multilayered vault around the stuff.

A large submarket for the remedial firms is groundwater. Environmental Protection Agency studies over the past few years have shown that around 30% of the country's 1.4 million underground gasoline tanks have a potential to leak. This endangers many of the country's aquifers that supply about one-half of the nation's drinking water. Canonie Environmental, Groundwater Technology and Hunter Environmental Services have profited handsomely by analysis and treatment of water pollutants. Groundwater's revenues have grown an average of 78% a year over the past three years.

The risks in the remedial companies? Liability is a big one. But the availability of pollution liability insurance for any toxic cleanup company is very limited, so in essence all are in the same boat.

Another risk for the remedial companies is that treatment methods go in and out of favor, often taking smaller companies with them. "If you're just a one-facility company, you could be making 60% margins today and be shut down for three months tomorrow," says Richard Fortuna. "There's no way to control the caprices of hazardous waste enforcement."

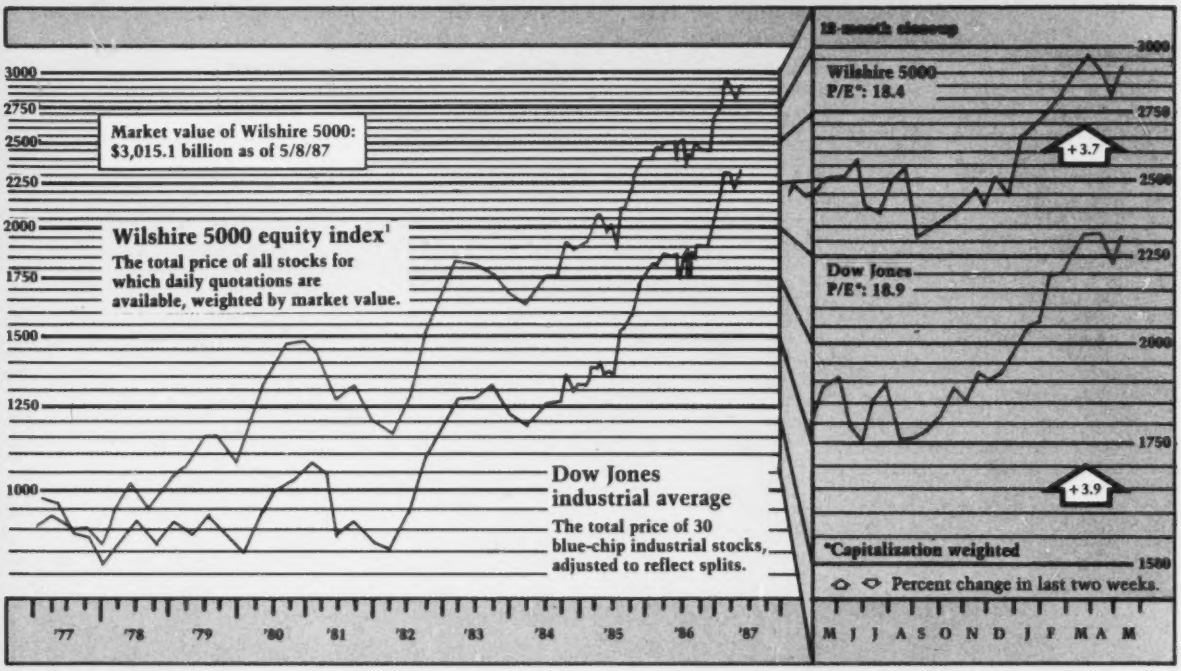
Finally, we have the cleanup business' consulting and analytical companies, which feed mainly on mushrooming government regulations. Here the liability risks are relatively low, since consulting and analytical firms do not deal directly with waste materials. But barriers to entry are even lower, and landfill operators and remedial firms are already expanding into the consultancy field. "It's hard to make any money as a consultant," says Princeton-Montrose's Defieux. "The margins are very small."

This has led at least one consulting outfit, Cambridge Analytical, to expand the other way. Its research into new technologies for the coal tar generated by utilities, as well as into treatments for other wastes, adds an innovative dimension to its consulting and testing work. Enviropact, too, is moving into remedial work. At 137 times earnings, it has to do something.

The biggest threat to investors in all this? Wall Street. As long as the cleanup story sells stocks, the underwriters will bring cleanup companies of decreasing quality to market. The bubble will burst, as will many of those inflated earnings multiples. The only question is when. ■

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Rising corporate earnings, especially at small to medium-size firms, helped Wall Street forget its fears about interest rates and the weakness of the dollar. In the most recent two weeks stock prices rebounded sharply from the late April correction. The 3.7% gain in the Wilshire index over the last ten trading days brought this broad-based indicator to within 0.3% of where it stood four weeks ago and 3.2% of its Mar. 24 record high. Despite the price rise, the Wilshire price/earnings multiple based on latest 12-month earnings fell 5.2%, to 18.4. This was primarily the result of strong quarterly earnings reports from firms other than Dow 30 and Forbes Sales 500 companies. Earnings for these latter groups did not rise as sharply as stock prices and the average P/E multiples rose. Behind the 3.9% gains for both the Dow and the Forbes Sales 500 was growing optimism among security analysts about the prospects for 1987 earnings in several economic sectors *(see next page).*

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–0.3	0.0	–0.7	–0.1	–1.2	–1.8
in last 52 weeks	18.7	18.5	29.8	20.7	22.4	8.8

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–1.0	–0.7	–0.2	–0.1	–1.6	–2.2	–0.3	0.7	0.1	–0.7	–1.4	–0.5
in last 52 weeks	19.8	35.9	50.7	24.3	15.9	12.3	10.3	43.4	54.0	18.0	18.4	24.9

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

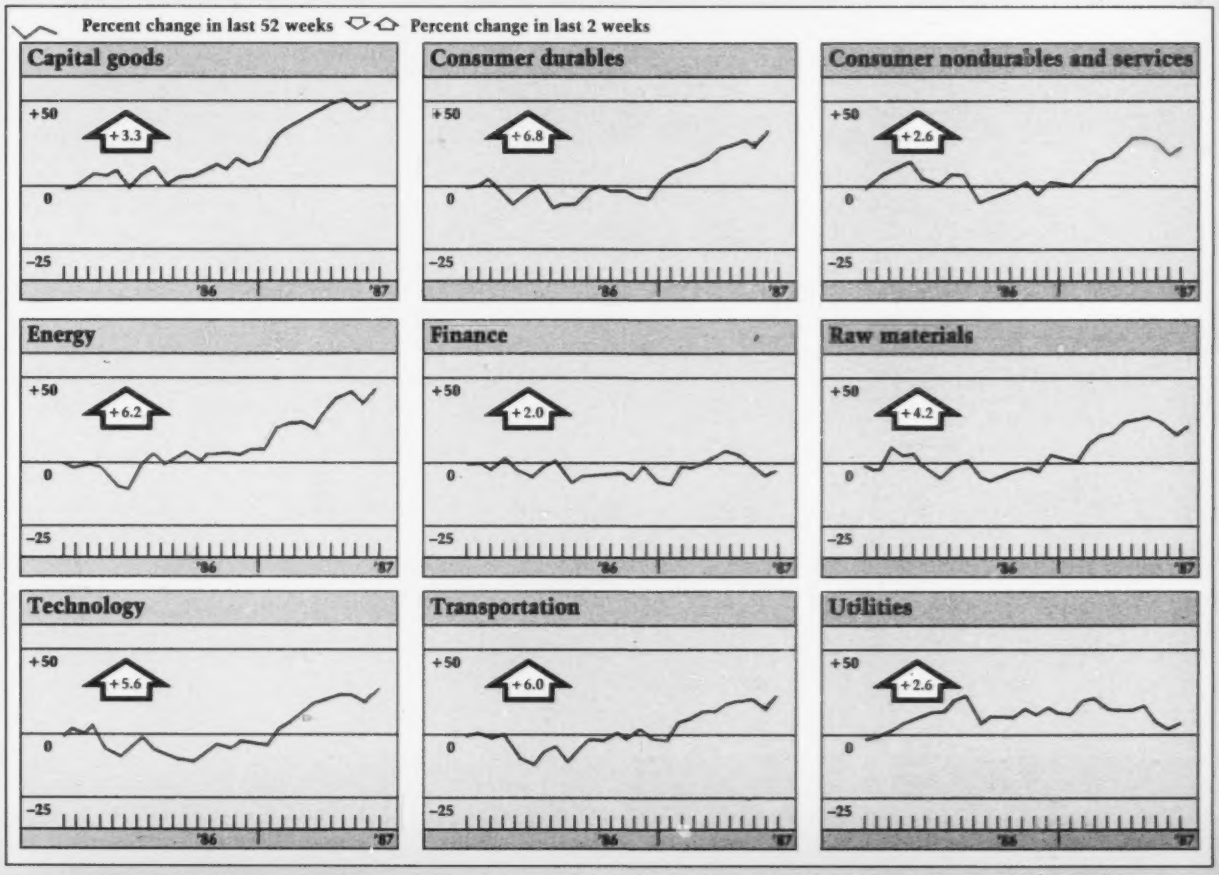
Gay French

Note: All data for periods ending 5/8/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Where the Action Is

Ford is beating General Motors in profits, with $1.5 billion in the first quarter for Ford, vs. $923 million for GM. That's in spite of Ford's much smaller market share. The news pushed Ford stock to a 22.5% gain in the last two weeks and to an alltime record high of 100, more than four times what it was three years ago. The strong showing for Ford was behind the 6.8% two-week gain for the consumer durables sector. Among other consumer durable stocks registering double-digit increases were Mack Trucks and Goodyear Tire & Rubber.

Also posting strong gains were energy and transportation stocks. Oilfield service stocks were particularly strong: Baker Hughes 30.5%, and both Dresser Industries and Halliburton nearly 20%.



What the Analysts Think

Encouraging first-quarter earnings were one factor behind the rise in 1987 earnings estimates for five of nine Wilshire sectors. But there's no way of knowing when an analyst is tempted to raise an estimate merely to keep up with a rising stock price. For more on this phenomenon of the self-inflating forecast, see story on page 186.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.62	18.4
1987 estimates	3.48	13.9
1988 estimates	4.07	11.9

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Technology	$2.69	17.1	0.44%	-0.06%
2	Raw materials	2.34	16.6	0.23	1.22
3	Consumer durables	3.46	14.0	0.21	0.01
4	Consumer nondurables	2.44	16.7	0.21	0.09
5	Energy	2.64	18.6	0.16	0.60
6	Transportation	2.36	15.3	-0.47	-3.25
7	Finance	3.54	9.2	-0.51	-0.84
8	Capital goods	2.44	18.1	-0.79	-1.16
9	Utilities	2.74	10.1	-1.61	-1.91

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 5/8/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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INVESTING FOR THE RICH AND POWERFUL PAGE

C3950-1
6/8/87

Forbes

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THE BOSS

THE 797 MOST POWERFUL MEN AND 3 MOST POWERFUL WOMEN IN CORPORATE AMERICA

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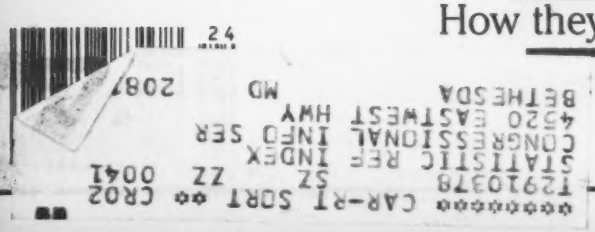
What they own

Where they rank

How they got there

How they're doing



Forbes

JUNE 15, 1987
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NUMBER 13

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June 15, 1987 Volume 139 Number 13 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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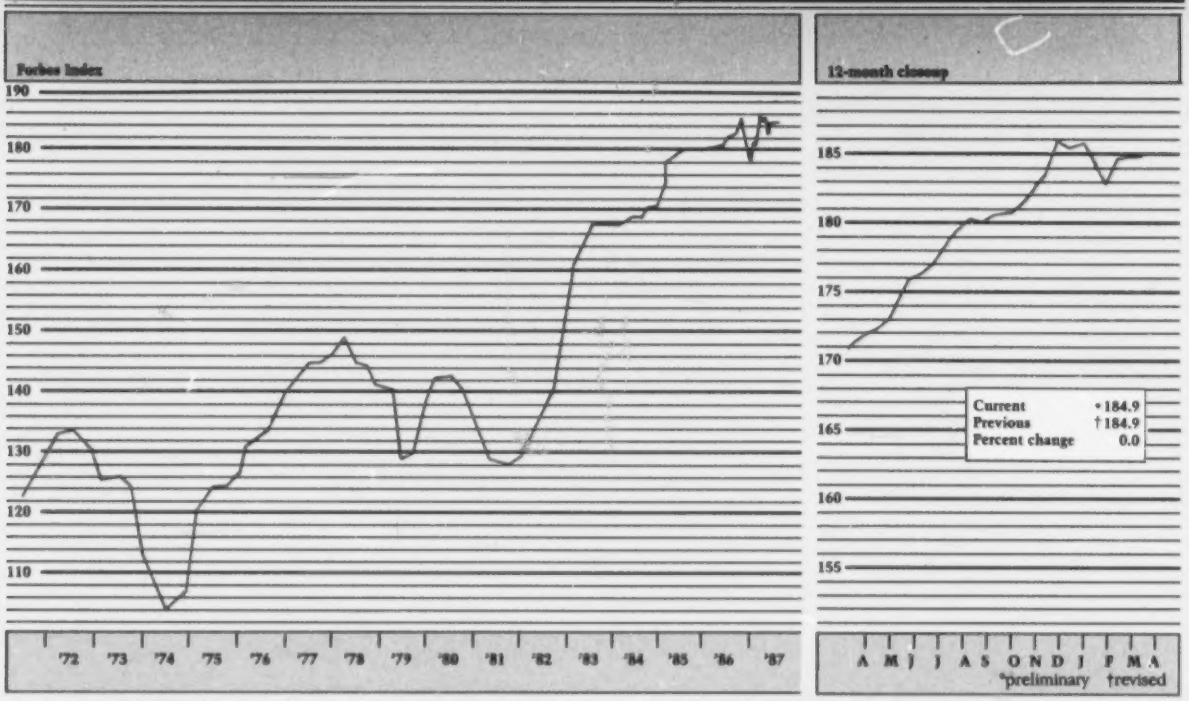
The Forbes Index

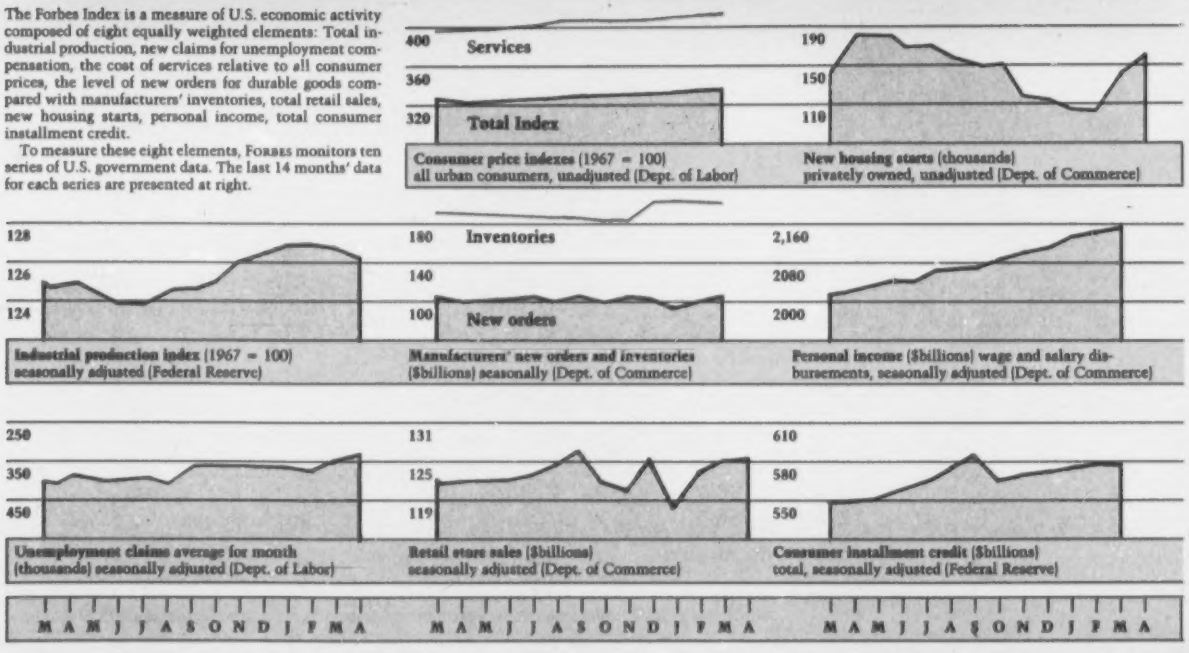


Signs of a stalled economy. Rising mortgage rates took a little more momentum away from the building industry. The trailing 12-month total for new housing starts is 1.4% lower than it was a month earlier. The most recent monthly figures (April) indicate a 13% drop in housing starts from April of last year. Meanwhile, a sharp decrease in auto production is largely responsible for a 0.4% drop in industrial production in April. Retail sales posted a modest gain of 0.1% from March to April. After adjusting for inflation, retail sales are 3.5% higher than a year ago. Also rising was the three-month total of consumer installment credit, which increased 0.1% in March, to $580 billion. The Forbes Index finished the most recent two-week period unchanged.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



THE BOSS

THE 797 MOST POWERFUL MEN AND 3 MOST POWERFUL WOMEN IN CORPORATE AMERICA

Seventy or eighty years ago, when the U.S. was still largely agrarian and Washington, D.C. closed for the summer, compiling a list of corporate America's most powerful men and women wasn't much work. There were the Rockefellers and the Fricks, the Morgans, Mellons and Guggenheims—and, oh, yes, that upstart Rosenwald, building the big dry goods company out west in Chicago. Sears and somebody.

The rest were kind of faceless managers—supervisors, that sort of thing. A few people made the big decisions.

Today corporate America is far broader, deeper and more complex, and a program of its leading players much more difficult to compile. In a socialist system or a dictatorship, everybody knows where the power sits. But power is decentral

ized in a capitalist democracy, widely dispersed; lots of people have it, some much, some little. Several of the earlier fortunes still exist, but they are scarcely synonymous with power.

We track them, and the newer fortunes, in the annual Forbes Four Hundred. In the pages that follow, we look not at great wealth but at the Forbes 800: the 797 men and 3 women who wield great corporate power in America.

If none is individually all-powerful, as a group the Forbes 800 is immensely powerful. Each leads a large, publicly owned corporation—which is why our list excludes people like Michael Milken, who wields a different kind of power. On our list, Robert Swanson runs the smallest company, Genentech, which sells $127 million worth of biotechnology products and has 1,000 workers on the payroll. Roger Smith runs the largest. General Motors employs 876,000. Its revenues topped $100 billion last year.

Taken together, the corporations led by our 800 executives employ 22.7 million men and women, here and abroad. To put that number in context, total U.S. employment is around 110 million.

Also, the revenues of the companies commanded by our 800 executives came to $2.78 trillion last year. The country's gross national product last year: $4.2 trillion.

And yet, for all the economic muscle that is theirs to use (and sometimes abuse), few of the Forbes 800 receive as much attention as the mayor, say, of Seattle.

Who are these men and women whose daily decisions directly affect the lives and livelihoods of nearly 23 million employees?

From the tables that begin on page 162, a picture begins to emerge. Perhaps the most telling characteristic is patience: Remember, these are people who preside over power, not entrepreneurs who are by nature an impatient lot. Most of these executives put in long years in order to arrive at the top of their companies. Of the 800, only 125 have been with their companies less than 10 years. Five hundred have worked at least 20 years with the same company, and 328 have been there three decades or more.

A powerful lesson there for today's younger men and women who think keys to the executive suite come attached to M.B.A. degrees.

Formal higher education, our tables show, is important, but not a substitute for intelligence. Of the Forbes 800, 302 hold graduate degrees, the most popular being M.B.A.s (137), followed by law degrees (57).

Of the executives without advanced degrees, 422 earned undergraduate degrees. A rather modest 129 of these attended an Ivy League school (Yale leads with 33, Princeton second with 29, Harvard third at 20).

But notice something important: Seventy-six of these leading executives earned no college degree at all. This group includes Gulf & Western's Martin Davis, MCA's Lew Wasserman and United Brands' Carl Lindner.

Clearly, it is not so much what you know as how you use it that still governs success in corporate America.

Power is not merely money. But there is a positive correlation—although not as positive as one might suppose in a society where pop singer Michael Jackson's $20 million a year passes without comment, whereas Lee Iacocca's $20 million is the object of much angry derision.

As a group, the Forbes 800 executives earned salaries and bonuses last year of $568.5 million. Additional compensation (mainly stock options) brought that to $808.3 million. Compared with their total corporate revenues of $2.78 trillion, this does not strike us as an obscenely large number. Median total compensation: $703,500.

Illustrations by Jean-François Allaux

A few points about compensation. First, it means different things in different parts of the country. Richard Bressler earned $1,063,000 last year at Burlington Northern in Seattle. John Bogardus Jr. earned $1,134,000 at Alexander & Alexander in New York. In Seattle, $400,000 buys you a five-bedroom house, with pool, in an exclusive neighborhood. In New York, $400,000 buys you a small three-bedroom apartment. Keep such regional purchasing power differentials in mind while scanning the tables.

Compensation appears to track age. Among chief executives age 40, median compensation is $638,000. At age 50, the median rises to $641,000. At 60, to $777,000. And at 70, to $897,000.

Note that we also include the executives' ownership of their companies' stock. Many wise investors won't touch a company unless top management, too, has a personal stake in the stock's performance.

Observe that bosses like Joe Allbritton (Riggs National Bank) and William Belzberg (Far West Financial) own large amounts of stock but pay themselves modestly. Others, like Colby Chandler (Eastman Kodak) and John Clendenin (BellSouth) own little stock but enjoy large salaries.

On the pages immediately following, we present the Forbes Top 25. These are 25 business people FORBES' editors have selected from the larger group for their special influence within and beyond their own industries. Warren Buffett, for example, for his enormous influence on investor behavior. Citicorp's John Reed for his influence on the Third World debt problem. And so on.

A few salient facts about this special group: Together their companies employ 4 million people and account for $568 billion in annual revenues. Ten of the Top 25 come from materially well-off families; the backgrounds of the other 15 were considerably more modest. Only 3 attended Ivy League schools. All but 3 have spent practically their entire career in their present employ. Median compensation within this group: $1,470,000, vs. the Forbes 800's median of $703,500.

We think you will find some lessons, and perhaps inspiration, in the men and women bosses who follow.

THE TOP 25

Herewith, FORBES editors' selection from corporate America's leading executives of 24 men and 1 woman who exert a special influence both within and beyond their own industries. Biographies prepared by Burr Leonard, Rita Koselka and Edward Cone.

John F. Akers
IBM Corp.

Mark Ferri

From sales trainee to chairman of the technology giant in 26 years. Born in Boston in 1934, the son of an insurance executive. Earned degree in industrial administration from Yale, 1956. Joined IBM in 1960 and worked his way through the marketing and manufacturing and development ranks. Named president in 1983, chairman in 1986.

With sales of $51.2 billion and 403,000 employees, IBM is now the world's largest technology company and exerts enormous influence throughout the high-tech world. To keep this commercial muscle in shape, Akers insists that all IBM divisions be responsive to customers. That, says Akers, means more people in the field meeting with customers, listening to them and working with them to solve their problems.—R.K.

Edward A. Brennan
Sears, Roebuck & Co.

One of several one-employer powerhouses. Father, grandfather and two uncles all worked at Sears. Born in Chicago, 1934. Graduated from Fenwick High School in Oak Park, Ill. and, in 1955, from Marquette University. Joined Sears 1956 as salesman in Madison, Wis. Promoted in 1958 to assistant store manager in Oshkosh. He continued to climb through core retail division of the company. Became president of Sears, Roebuck in 1980 at 46; named chairman and chief executive last year.

Bob Nelson/Picture Group

For years the model for Marks & Spencer and other leading retailers, Sears, Roebuck is the world's largest, with revenues approaching $45 billion and close to half a million employees. But Brennan is no corporate bureaucrat. Sears' Discover card, which was launched January 1986, was a big gamble that now seems to be paying off. Other than to say he wishes him well, the man from the retailing family offers no comments on younger brother Bernard, president and chief executive of rival Montgomery Ward & Co.—E.C.

Warren E. Buffett
Berkshire Hathaway Corp.

The only man to make $1 billion in the stock market. Born in Omaha in 1930, only son of a stockbroker and U.S. congressman. Education: University of Nebraska (B.A. in economics, 1950), Columbia University (M.S. 1951), where he studied under Benjamin Graham. Joined father's brokerage firm, started investment partnership that led to Berkshire Hathaway. "Sage of Omaha" said of cheap stocks in 1977: "I feel like an oversexed man in a harem."

Through Berkshire Hathaway controls 19% of Capital Cities/ABC,

owns Buffalo *News*, owns nearly 14% of Washington Post Co., run by close friend Katharine Graham *(see below)*. Not perfect: in April 1986 sold over 1 million shares of Affiliated Publications *(Boston Globe)* for over $60 million. That block worth twice as much today. But the effect of his "value investing" example on market immense. Goal: "I just want to keep having as much fun in the future as I have had in the past." Sheepishly admits to buying corporate jet (used) last year.—R.K.

Robert L. Crandall
AMR Corp.

"My job is to put my competitors out of business." Born 1935, Westerly, R.I. First son of an insurance salesman, the family always on the move, Crandall attended 16 schools in 12 years. Graduated from the University of Rhode Island, 1957. Supervised an office for John Hancock, won scholarship to Wharton (M.B.A., 1960). Credit supervisor for Eastman Kodak, then customer financial services director for Hallmark Cards. Became assistant treasurer at TWA starting in 1966. Jumped to American Airlines in 1973, when American was losing $48 million. Named chairman and chief executive officer of American and its parent, AMR Corp., in 1985.

A fighter, Crandall met deregulation by cutting fares, launching the original frequent flier program, winning landmark wage concessions from some 20,000 union workers. He continues to cut fares and costs. Last year AMR earned its fourth consecutive profit on $6 billion in revenues. What if he'd stayed at TWA?—B.L.

Michael D. Eisner
Walt Disney Co.

Manhattan born (1942) and raised son of a Harvard-educated lawyer and businessman. Studied theater and English literature at Denison University (B.A., 1964), working summers as a network page in New York City. Started in CBS' programming department, moved to ABC in 1966, named president of Paramount Pictures in 1976. Brought to Disney by Roy Disney and Bass brothers in 1984 to resurrect once-great company. Has brought Disney back into TV, profitable movies (*Down and Out in Beverly Hills* and others), aggressively developed Disney World and other real estate. Recently signed agreement with French Prime Minister Jacques Chirac to export U.S. culture by building $1.6 billion European Disneyland. Under Eisner, Disney's market value has grown almost fivefold (Bass brothers' profit: $700 million). Ardent patron of California Institute of Arts, created by Walt Disney in 1961.—R.K.

Roberto C. Goizueta
Coca-Cola Co.

Pronounced go-ZWET-ta. Born in Havana in 1931. Degree in chemical engineering from Yale, 1953. Joined Coca-Cola Cuba in 1954; Caribbean-area chemist of the Coca-Cola Export Corp. in 1961. Came to Atlanta headquarters in 1964, chairman since 1981. Famous inflation line: "In Latin America you lose money if you get a

flat tire on the way to the bank."

Goizueta lost on New Coke but recouped with Coca-Cola Classic. Coke again is winning the cola wars. Engineered nearly $1.4 billion spinoff of Coke's 49% interest in bottling arm Coca-Cola Enterprises last November. Has invaded Hollywood by buying Columbia Pictures and Norman Lear's Embassy Communications and Tandem Productions. Among shrewd brand-goods managers, Goizueta is the real thing.—R.K.

Katharine Graham
Washington Post Co.

Chairman of company whose sway goes far beyond its modest size. Insists: "Nobody ever has as much power as you think they do." Daughter of a wealthy banker and publisher. Born in 1917. Product of upper-crust Madeira School in Falls Church, Va., then University of Chicago. Married Harvard lawyer Philip Graham, played devoted wife and mother role as he published her family's *Washington Post*. With little experience, she took over company after husband's death in 1963. Relies heavily on counsel of good friend Warren Buffett *(see above)*, whose Berkshire Hathaway owns nearly 14% of Washington Post Co. Sold partial interests in several cellular telephone systems just as

business was heating up, but keeps Washington Post Co. wonderfully profitable. "I know there's such a thing as the power of the press, but we don't think about it or even seek it," says she. "It's challenge enough to stay competitive and up to date in this fast-moving world."—R.K.

John H. Gutfreund
Salomon Inc.

Rob Kinmonth

Responsible for raising $99.3 billion in debt and equity for U.S. corporations last year. Born 45 days before Black Tuesday in 1929, to owners of prosperous wholesale meat and trucking company in Scarsdale, N.Y. Liberal arts degree from Oberlin College, Class of 1951. Considered teaching literature, fought in Korea, joined Salomon Brothers, then a modest bond trading house, in 1953. Made partner 1963, managing partner 1978.

Gutfreund led move to sell the partnership to Phibro for $554 million in 1981. Three years later won messy internal battle to run merged concern, renamed Salomon Inc. in 1986. Second wife, Susan, known for her lavish society parties.

With a daily average of $19.9 billion in securities inventories, Salomon reigns as the world's largest U.S. government bond trader. Slow learners need not apply. "It's a harsh world where mistakes are not charitably dealt with," says Gutfreund. "The stakes are much higher than they've ever been."—B.L.

Richard E. Heckert
E.I. du Pont
de Nemours & Co.

Gentleman farmer-chemist. Born 1924 in Oxford, Ohio, youngest of four children of Miami University professor. Played football at high school, earned B.A. Miami in 1944, and Ph.D. in organic chemistry at

Leif Skoogfors/Woodfin Camp

University of Illinois, 1949, and joined Du Pont as a research chemist. Named president and chief operating officer of Du Pont 1981, vice chairman when Du Pont merged with Conoco five months later. Chairman since last year. Makes home on 125-acre farm in Unionville, Pa.

With sales of $29.6 billion and 100,000 employees in the U.S. and 41,000 overseas, Du Pont remains the world's leading chemical company through determined, often unpopular action. Heckert has cut the company's work force by 20% since 1982. Sales decreased slightly, but profits grew 25.9%.—B.L.

Lido Anthony (Lee) Iacocca
Chrysler Corp.

Frank Fournier/Contact

Mister Turnaround to some, the $20 million man to others. Born 1924 in Allentown, Pa., where his father, an Italian immigrant, ran a hot dog restaurant. Graduated from Lehigh University in three years (Class of 1945), earned master's degree in mechanical engineering from Princeton, joined Ford as student engineer. At Ford brought out Mustang (1964), became president (1970), was fired by Henry Ford II (1978), landed at Chrysler a few months later. Won celebrityhood (and revenge against Henry II) by cutting salary to $1 and convincing Congress to guarantee loans to Chrysler amounting to $1.5 billion. Author of *Iacocca, An Autobiography*, the bestselling hardcover business autobiography of all time. Insists he has no presidential ambitions, and he probably doesn't.—B.L.

Keith Rupert Murdoch
News Corp. Ltd.

Rob Kinmonth

A media mogul of many flags. Born in Australia, 1931. Educated at Oxford (Class of 1952), became U.S. citizen in 1985 to acquire six TV stations from Metromedia.

With 1986 assets of $5.6 billion, Murdoch's collection of media properties includes tabloids in England, Australia and the U.S. (*New York Post*, San Antonio's *Express-News*), the *Times* of London. Murdoch's hard-nosed approach to Britain's Luddite print unions responsible for bringing British newspaper publishing into 20th century. Last year's $1.15 billion issue of Fox Television Stations was the largest media offering ever. Current challenge: the creation of a fourth U.S. television network.—B.L.

Kenneth H. Olsen
Digital Equipment Corp.

Seth Resnick/Picture Group

Widely considered among most successful entrepreneurs ever. Born 1926, grew up in Stratford, Conn., raised in working-class community where his

father designed machine tools. Graduated from Stratford High School, fought in Navy during World War II, quickly earned B.S. and master's degree in electrical engineering from MIT. After a brief sojourn at IBM, Olsen and associate Harlan Anderson started Digital in an old woolen mill in 1957 with one employee. Introduced the first affordable, mass-produced minicomputer in 1965, the VAX supermini in 1977. Today DEC has 105,000 employees, grosses $7.6 billion annually and ranks second only to IBM in computer market share. A soft-spoken, devout Christian fundamentalist, Olsen has this goal for his equipment: To connect everything within a building or an entire organization around the world in a single network.—B.L.

James E. Olson
AT&T

Chiasson/Gamma-Liaison

The barber's son who has had to reshape totally his view of his chosen industry. Born in Devil's Lake, N.D. in 1925. Worked as a cable splicer's helper with AT&T during summer vacation. Attended the University of North Dakota (B.S., 1950), while putting in 30-hour weeks at Northwestern Bell. Turned down law school to accept a management job with Bell. No regrets.

Assumed senior role in planning for the Bell system breakup. Named chairman and chief executive of world's largest nongovernment telecommunications company in 1986. "There's no point in reminiscing," Olson says of deregulation. "We have been freed up to move with the future." Rival long-distance carriers now taking huge losses. He stresses country's need for "businessmen who are literate, who can understand technology and who appreciate the free enterprise system."—R.K.

Donald E. Petersen
Ford Motor Co.

Doug Menuez/Picture Group

Beating GM where it counts. Born on farm in Pipestone, Minn. to working-class parents, 1926. Father held variety of sales jobs. Petersen attended public schools in Long Beach, Calif. and Portland, Ore. Graduated Phi Beta Kappa from University of Washington (1946), M.B.A. Stanford. Joined Ford 1949 in product planning area and later helped develop a streamlined breed of car including the Mustang, Fairlane, Maverick and Mark III.

From 1980 to 1982 Ford losses totaled $3.3 billion. During the same period Petersen oversaw $8 billion spending on new products and plants. Ford earned $3.3 billion last year, to GM's $2.9 billion. On retirement of Philip Caldwell in 1985, Petersen second non-Ford-family member to head the world's second-largest—and most profitable—car company.—B.L.

Lawrence G. Rawl
Exxon Corp.

Rob Kinmonth

It takes a tough man to keep the world's largest oil company on top. The fifth of six children in an Irish-American family, Rawl was raised in New Jersey; fought as a Marine during WWII; earned degree in petroleum engineering from the University of Oklahoma in 1950 on the G.I. Bill. Turned down a position with Standard Oil of New Jersey (now Exxon) to take job with smaller company, Humble Oil in Houston, then discovered Humble was Esso subsidiary. Rose to head U.S. marketing operations in 1972, became the number two man in Esso Europe in 1978, named chairman this January.

A tough manager, Rawl, now 59, orchestrated payroll cuts last year, shrinking Exxon from 146,000 employees to 135,000. He also cut capital and exploration spending from $11 billion to under $8 billion and sold New York City headquarters building and Reliance Electric. Enemy number one: complacency.—R.K.

John S. Reed
Citicorp

Andrew Popper/Picture Group

Much in the news for discounting Citi's Third World debt by $3 billion, less so for creating consumer lending powerhouse. Born Chicago 1939, raised in Argentina and Brazil, where father was executive with Armour. Fluent in Spanish, degrees Washington & Jefferson College (B.A., 1961), MIT (B.S., 1961; M.S., 1965). Brief stint at Goodyear Tire & Rubber.

In 1965 Reed joined First National City Bank, now Citicorp, nation's largest (assets, $196 billion).

During glory days of foreign lending, rose through mundane consumer side. Pioneered automated teller machines. Reed's predecessor, Walter Wriston, influenced a generation of world bankers when he declared, "Governments do not go bankrupt." Reed's $3 billion reserve against Citi loans to foreign governments will likewise influence his banking generation—not least at former leader Bank of America. Early in his career, Reed earned a reputation as an abrupt, hard-driving leader. Edges smoother now, but determination and clear vision obviously remain.—B.L.

James D. Robinson III
American Express Co.

Andrew Popper/Picture Group

Rich kid does well. Robinson was born in 1935 into a wealthy Atlanta banking family. Graduated from Georgia Tech in 1957, served two years in the Naval Reserve, then M.B.A. from Harvard in 1961. Made general partner at White, Weld & Co. at 33. Joined American Express, 1970. Named chairman and chief executive, 1977. Bought several financial companies, including Shearson Lehman Brothers, which contributed 31% of AmEx' $14.7 billion (revenues) last year. Sold 13% of Shearson to the Japanese for $508 million, another 18% to public for $580 million. Robinson has also paid attention to AmEx' original travel-related business, which generated half of the company's $1.2 billion in profits for 1986. Has run company for decade and, at 51, likely to exert large influence on financial services business for decades more.—E.C.

William A. Schreyer
Merrill Lynch & Co.

If Merrill has recently lost some of its thunder, it remains the country's largest retail brokerage house and a critical gear in the country's capital markets. Born in Williamsport, Pa. in 1928, Schreyer earned his business degree from Penn State, started with Merrill Lynch as a management trainee after graduation in June 1948.

Alex Quesada/Woodfin Camp

Ran Trenton, N.J. and Buffalo, N.Y. offices. Named New York metropolitan area sales director, 1969, chief executive in 1984, chairman in 1985.

Aware of a need to wring more profits out of expensive manpower, Schreyer has been trying to use Merrill's financial size (assets: $53 billion) and marketing muscle to gain a bigger share of investment banking business. Merrill's recent $275 million loss on mortgage securities trading is a setback, but Schreyer has never been a quitter.—R.K.

Frank A. Shrontz
Boeing Co.

Dale Wittner

With export sales last year of about $7 billion, Boeing and Shrontz are major players in reducing trade deficit. Only child of a sporting goods shop owner, Shrontz born 1931 in Boise, Idaho. Earned a law degree from the University of Idaho (1954), M.B.A. from Harvard (1958). Joined Boeing in 1958 as a sales administrator in the commercial airplane division. Assistant Secretary of the Air Force under presidents Nixon and Ford; Defense Department, 1976. Returned to Boeing; in 1984 ran commercial airplane division (60% of Boeing's sales). Last year Shrontz succeeded T.A. Wilson as chief executive, and, in May, paid $700 million (from cash pile of $4.3 billion) for up to 17% of Allegis, parent of United Airlines, which has a large order in for Boeing planes. "We're not moving into the airline business," says the affable head of world's largest aircraft manufacturer. "We regard this as a unique financing transaction."—E.C.

John G. Smale
Procter & Gamble Co.

The man who bought his first employer. Born in little Listowel, Ont. in 1927. Graduated from Miami University of Ohio, 1949 (five years after

D. Gordon

Richard Heckert, *above*). First job was at Vicks Chemical, then landed at P&G in 1952 as an assistant brand manager. Climbed P&G's traditional packaged-goods ladder, then led move into new businesses, including Pampers diapers, soaps, health care products and proprietary drugs, all highly profitable.

In 1985 engineered P&G's $1.25 billion buyout of his first employer, Richardson-Vicks, and $300 million acquisition of G.D. Searle & Co.'s over-the-counter drug business. Named chief executive, 1981. With P&G sales at alltime high $15.4 billion, Smale was last year named chairman. Director of the United Negro College Fund.—E.C.

Roger B. Smith
General Motors Corp.

Brownie Harris

Though now less profitable than Ford, GM's $103 billion in sales and 876,000 employees make it the world's largest company by far. Smith, chairman and chief executive since 1981, was born 1925 in Columbus, Ohio, third of four children. His father was a banker; mother, a teacher. When father's bank failed during Depression, family moved to Detroit. After two years in the Navy, Smith earned bachelor's (1947) and M.B.A. (1949) degrees from the University of

Michigan and immediately began long march up GM financial side.

Smith acquired Hughes Aircraft in 1985, then H. Ross Perot's EDS in 1984. He then bought out critic Perot for $700 million last year. Vaunted Saturn Division has been sharply scaled back, market share receding. Smith has pledged to spend up to $5 billion to repurchase GM shares (about $32 billion). But never underestimate this giant's power.—E.C.

Arthur Ochs Sulzberger
The New York Times Co.

Christopher Pillitz/Impact

Publisher of what is arguably the country's most influential daily newspaper. Born in New York, 1926. Son of Iphigene Ochs (whose father bought the *New York Times* in 1896) and Arthur Hays Sulzberger, who ran the paper for many years. Served in the Marine Corps in WWII. Joined the family business after graduation from Columbia, 1951. Reporter for the Milwaukee *Journal* from 1953 to 1954, jumped to *Times*, reported from London, Paris and Rome. Named president and publisher in 1963, following death of Orvil Dryfoos.

Mixing business acumen with inherited privilege, "Punch" has built The New York Times Co. into a publishing and media conglomerate with over 10,000 employees and $1.5 billion in revenues. Spent over $400 million for new businesses in 1985. With founding Ochs, Sulzberger and Adler families controlling more than 80% of voting stock, Punch grooming Arthur Ochs Sulzberger Jr., 35, to succeed him.—E.C.

Laurence A. Tisch
CBS Inc. and Loews Corp.

Beware Larry Tisch. Born on the Ides of March in 1923 in New York. Graduated with honors from New York University in 1942. Master's in indus-

Rob Kinmouth

trial engineering from University of Pennsylvania, 1943. Brief flirtation with law school (Harvard) before he and younger brother Preston Robert (now U.S. Postmaster General) began building father's Lakewood, N.J. resort into hotel chain. Took over Loews Theaters in 1960, expanded into cigarettes, insurance and watches. Loews Corp. now $2 billion (sales).

Through Loews, bought 25% of CBS stock in 1985 and 1986, after broadcaster was put in play by Senator Jesse Helms and Ted Turner. Replaced CBS Chairman Thomas Wyman with himself. After charming CBS journalists, Tisch lowered ax, firing more than 3,000. On revenues of $4.6 billion and 18,300 employees, CBS is still not very profitable. The broadcast television unit is running an uncomfortable second to NBC. Better programming and more cost-cutting lie ahead if Tisch is to resuscitate this influential network.—E.C.

John F. Welch Jr.
General Electric Co.

Bernard Gotfryd/Woodfin Camp

Move over, Larry Tisch: General Electric's NBC is now ahead of CBS. The only child of a railroad conductor and a strong-willed mother, Welch, born in 1935, was raised in blue-collar Salem, Mass. At the University of Massachusetts (B.S., 1957) Welch earned a reputation as a tough competitor in athletics and academics. He earned his master's in chemical engineering at the University of Illinois in 1958, Ph.D. 1960, joined GE's then-sleepy plastics division. It grew, and so did Welch's importance. Named chairman in 1981.

Welch has reduced GE's payroll by more than 100,000 employees, using savings to help finance acquisitions in 1986, including 80% of Kidder, Peabody for a reported $600 million, RCA (and its NBC subsidiary) for $6.5 billion cash. General Electric is now the country's third-largest company as measured by market capitalization ($46 billion).

Speculation is running high as to Welch's next target.—E.C.

John A. Young
Hewlett-Packard Co.

Doug Menuez/Picture Group

The antibureaucrat who encourages "management by wandering around." Only child of an electrician and a housewife, born in tiny Nampa, Idaho, 1932. Raised in Klamath Falls, Ore., B.S. in electrical engineering (Oregon State, 1953). Air Force Research & Development Command, 1954-56; M.B.A., Stanford University, 1958. Joined Hewlett-Packard as marketing planner the same year; named president in 1977 and chief executive officer in 1978, age 46. A steady fund-raiser for Stanford. Chaired President Reagan's Commission on Industrial Competitiveness.

On everyone's list of best, most innovative companies, HP now employs over 80,000; sales exceed $7 billion. Apart from intense competition from IBM, DEC and the Japanese (to name a few), Young's challenge is centralizing operations without dampening decentralization's creative powers. "It's a powerful tradition, and a good one," says Young of HP's decentralization. "I try to make sure the organization is not an obstacle to entrepreneurship."—E.C.

The people in power

The following 800 executives lead the U.S.' largest public companies. With few exceptions, each firm was in The Forbes 500s *(Apr. 27)*. The left-half table tells where these executives came from, and their career paths to the top. The executives' compensation, their holdings of their companies' stock, and how their compensation ranks are shown on the right-hand side.

A few methodological notes: *Salary + bonus* includes all salary and bonus payments in 1986, whether in cash or deferred, as well as directors' fees and commissions. *Other* includes payments made under long-term compensation plans, restricted stock awards vested or released from restrictions in 1986, thrift plan contributions and other benefits. *Stock gains* include net value realized in shares or cash from the exercise of stock options or stock appreciation rights granted in prior years. *Rank among 800 execs* is based on total compensation. *Rank in industry* compares the executive's total compensation to that of other executives in the same industry. *Market value* of executives' stock holdings is based on Apr. 30, 1987 prices and most recent proxy statements, and includes all classes of publicly traded stock. The class of stock with the largest public capitalization is represented in *Stock owned* by the executive and immediate family. This also includes options that can be exercised within 60 days.

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Undergraduate	Graduate degree	Professional background
Ralph E Ablon	Ogden	71	32	25	Tupelo, MS	Ohio State	—	administration
Leonard Abramson	US Healthcare[1]	55	11	11	Philadelphia, PA	Pennsylvania State	MS	founder
C Edward Acker	Pan Am	58	5	5	Dallas, TX	Southern Methodist	—	administration
Edward L Addison	Southern Co	57	33	3	Cottageville, SC	U of South Carolina	—	technical
John F Akers	IBM	52	26	2	Boston, MA	Yale	—	marketing
Harry W Albright Jr	Dime Finl Services[2]	62	12	6	Albany, NY	Yale	—	banking
James A Aliber	First Federal Mich	62	30	10	Detroit, MI	U of Michigan	—	banking
Joe L Allbritton	Riggs National	62	6	5	D'Lo, MS	Baylor	—	finance
Darryl F Allen	Trinova	43	15	1	Detroit, MI	Michigan State	MBA	finance
Howard P Allen	So Calif Edison	61	33	2	Upland, CA	Pomona Coll	JD	legal
Wells P Allen Jr	NY State Elec & Gas	66	38	4	Scranton, PA	Rensselaer Poly Inst	—	technical
Robert J Allison Jr	Anadarko Petroleum	48	14	11	Evanston, IL	Kansas	—	technical
Joel B Alvord	Hartford National	48	24	1	Manchester, CT	Dartmouth Coll	MBA	banking
John B Amos	American Family	63	32	32	Enterprise, AL	U of Miami	JD	founder
James K Anderson	Pacific First Finl	50	5	3	Wenatchee, WA	Whitman Coll	—	banking
Robert Anderson	Rockwell Intl	66	19	13	Columbus, NE	Colorado State	—	technical
Dwayne O Andreas	Archer Daniels	69	16	16	Worthington, MN	—	—	finance
Dewalt H Ankeny Jr	First Bank System	54	19	1	Minneapolis, MN	Dartmouth Coll	MBA	banking
Rand V Araskog	ITT	55	20	7	Fergus Falls, MN	US Military Acad	—	administration
Nolan D Archibald	Black & Decker	44	1	1	Ogden, UT	Weber State Coll	MA	finance
Ian Arnof	First Commerce	47	8	4	Memphis, TN	Vanderbilt	MBA	banking
H Brewster Atwater Jr	General Mills	56	29	6	Minneapolis, MN	Princeton	MBA	marketing
Louis E Azzato	Foster Wheeler	56	35	6	New York, NY	City Coll New York	—	technical
John Carter Bacot	Bank of New York	54	27	5	Utica, NY	Hamilton Coll	—	finance
Lake A Baione[3]	Crossland Savings	66	41	14	New York, NY	City Coll New York	—	finance
Bob R Baker	First Columbia Finl	50	21	4	Clarksville, TN	Southern Methodist	—	banking
Dexter F Baker	Air Prods & Chems	60	34	1	Worcester, MA	Lehigh	MBA	technical
H Furlong Baldwin	Mercantile Bksha	55	30	11	Baltimore, MD	Princeton	—	banking
Bert Ballenger	Southwestern Pub Svc	62	38	1	Trinidad, CO	U of Texas	—	finance
Louis F Bantle	UST[4]	58	24	14	Bridgeport, CT	Syracuse	—	marketing

[1]Figures are for period ending 12/31/85. [2]Formerly Dime Savings Bank. [3]Succeeded by Maurice L Reissman, 1/1/87. [4]Formerly United States Tobacco.

Compensation (000) salary + bonus	other	stock gains	total	Rank among 800 execs	Industry	Rank in industry	Stock owned %	Stock owned mkt val (mil)	1986 sales (mil)	1986 profits (mil)	1986 employ (000)	% change profits	% change salary + bonus
$1,387	$421	—	$1,808	87	indus & office svcs	4 of 10	1.6%	$20.0	$800	$119.6	37.1	NM	5%
633	92	—	725	381	health	19 of 32	6.50	37.5	502	75.8	0.9	209%	0
500	19	$101	620	470	air transport	6 of 11	0.77	5.1	3,038	–462.8	23.1	NM	0
620	77	—	697	409	electric utilities	3 of 73	0.01	0.4	6,847	882.9	31.7	6	2
712	—	785	1,497	124	computers & elec	6 of 29	0.02	14.9	51,250	4,789.0	404.5	–27	–3
533	20	—	553	513	banks	97 of 192	0.07	0.3	883	84.6	3.1	500+	52
527	140	—	667	432	banks	71 of 192	1.21	3.1	1,232	106.7	2.1	94	45
651	—	—	651	440	banks	75 of 192	35.80	145.1	446	35.6	1.9	15	30
668	—	—	668	431	heavy equipment	8 of 13	0.20	2.1	1,447	122.6	19.0	64	NA
665	19	—	684	419	electric utilities	4 of 73	0.01	0.5	5,312	768.6	17.4	–1	19
261	—	—	261	746	electric utilities	57 of 73	0.01	0.1	1,277	228.5	4.4	10	15
414	—	—	414	640	oil	25 of 29	0.13	1.9	206	10.1	0.7	–78	11
570	61	—	631	458	banks	80 of 192	0.38	4.4	1,026	114.0	7.1	42	NA
2,079	34	—	2,113	66	insurance	5 of 42	2.40	23.4	1,401	100.7	2.8	84	3
238	9	—	247	757	banks	183 of 192	0.80	1.2	424	25.5	1.3	NM	0
1,402	1,638	94	3,134	30	aerospace & defense	1 of 17	0.10	8.2	12,296	611.2	122.2	3	6
885	—	—	885	298	food processor	15 of 23	4.91	157.5	5,336	239.4	9.9	46	10
768	235	379	1,382	140	banks	14 of 192	0.26	4.7	2,930	202.9	10.0	22	33
1,664	159	2,590	4,413	10	conglomerates	2 of 20	0.10	7.5	18,946	539.5	124.0	84	66
602	80	—	682	421	consumer products	18 of 23	0.03	0.4	1,732	–158.4	22.1	NM	NA
327	—	—	327	700	banks	155 of 192	0.37	0.7	350	3.6	2.5	–84	17
1,163	16	80	1,259	170	food processor	8 of 23	0.16	6.2	4,587	183.5	62.6	59	98
211	—	—	211	777	heavy equipment	13 of 13	0.16	0.8	1,258	28.0	12.1	8	10
780	65	—	845	314	banks	44 of 192	0.19	2.5	1,750	155.2	8.5	19	7
497	—	—	497	568	banks	113 of 192	0.14	0.3	879	43.5	2.3	–62	50
254	28	—	282	723	banks	166 of 192	2.20	0.7	261	–14.3	0.8	NM	27
568	12	—	580	493	chemicals	18 of 20	0.49	11.6	1,982	4.7	17.7	–97	NA
427	14	300	741	372	banks	57 of 192	0.25	1.3	294	39.5	2.5	8	11
260	6	—	266	739	electric utilities	54 of 73	0.02	0.2	808	121.3	2.3	3	26
1,197	28	250	1,475	127	beverages & tobacco	4 of 11	1.20	18.8	512	103.9	3.5	11	8

NA: Not available NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Under-graduate	Graduate degree	Professional background
Philip G Barach	US Shoe	57	26	19	Boston, MA	Boston	MBA	administration
Hugh A Barker	Public Service Ind	61	28	10	Stillwater, MN	U of Minnesota	—	finance
Clarence C Barksdale	Centerre Bancorp	55	28	9	St Louis, MO	Brown	—	banking
James E Barnes	Mapco	53	4	3	Ponca City, OK	Oklahoma State	—	operations
J David Barnes[1]	Mellon Bank	58	31	6	Oil City, PA	Allegheny Coll	—	banking
Theodore W Barnes	Old Stone	56	39	11	Providence, RI	—	—	banking
Zane E Barnes	Southwestern Bell	65	45	12	Marietta, OH	Marietta Coll	—	operations
Robert L Barney	Wendy's Intl	50	17	7	Ashland, KY	—	—	administration
Gerald D Barrone[2]	Citadel Holding	56	32	1	Tujunga, CA	UCLA	—	banking
Warren L Batts	Premark Intl	54	6	1	Norfolk, VA	Georgia Inst of Tech	MBA	administration
Junius F Baxter	Western Capital Inv	63	37	19	Topeka, KS	U of Missouri	MBA	banking
William B Bechanan	Kentucky Utilities	61	38	8	Hodgenville, KY	U of Kentucky	—	technical
John D Bellinger	First Hawaiian	64	45	17	Honolulu, HI	—	—	banking
William Belzberg	Far West Financial[3]	55	13	11		—	—	banking
Klaus Bergman	Allegheny Power	56	15	2	Germany	Columbia	—	legal
William W Berry	Dominion Resources	55	30	4	Norfolk, VA	Virginia Military Inst	MS	technical
Michel L Besson	CertainTeed	53	7	7	France	Ecole Centrale des Arts	MS	operations
John C Bierwirth	Grumman	63	14	12	Lawrence, NY	Yale	JD	finance
Oliver W Birckhead	Central Bancorp	65	36	15	Brooklyn, NY	Nichols Coll	—	banking
Gene H Bishop	MCorp	57	12	12	Forest, MS	U of Mississippi	—	banking
Henry W Bloch	H&R Block	64	31	31	Kansas City, MO	U of Michigan	—	founder
W Michael Blumenthal	Unisys	61	7	6	Germany	U of Calif at Berkeley	PhD	administration
William W Boeschenstein	Owens-Corning	61	36	14	Chicago, IL	Yale	—	marketing
John A Bogardus Jr	Alexander & Alexander	59	36	8	New York, NY	Princeton	—	insurance
Thomas E Bolger	Bell Atlantic	59	44	3	Norfolk, NE	S Dak School of Mines	—	administration
Thomas R Bomar	AmeriFirst Federal	50	11	1	Sherman, TX	Calif State	MBA	banking
Robert E Boni	Armco	59	30	2	Canton, OH	U of Cincinnati	PhD	technical
I MacAllister Booth	Polaroid	55	29	1	Atlanta, GA	Cornell	MBA	production
Allen Born	Amax	53	20	1	Durango, CO	U of Texas at El Paso	—	technical
Dennis C Bottorff	Commerce Union	42	18	1	Clarksville, IN	Vanderbilt	MBA	banking

William O Bourke	Reynolds Metals	60	5	1	Chicago, IL	De Paul	—	operations
William J Bowen	Transco Energy	65	12	12	Sweetwater, TX	US Military Acad	—	operations
J Mitchell Boyd	Shoney's	48	21	1	Nashville, TN	—	—	operations
William B Boyd	American Standard	63	12	2	Palestine, TX	Texas A&M	—	technical
Donald N Brandin	Boatmen's Bancshares	65	31	14	New York, NY	Princeton	—	banking
John G Breen	Sherwin-Williams	52	8	8	Cleveland, OH	John Carroll	MBA	operations
Fred L Brengel	Johnson Controls	64	39	20	Hicksville, NY	Stevens Inst of Tech	—	sales
Edward A Brennan	Sears, Roebuck	53	31	1	Chicago, IL	Marquette	—	retailing
Richard M Bressler	Burlington Northern	56	7	7	Wayne, NE	Dartmouth Coll	—	finance
William H Bricker[4]	Maxus Energy[5]	55	18	10	Detroit, MI	Michigan State	MA	marketing

[1]Succeeded by Nathan W Pearson, 4/12/87. [2]Succeeded by Edward L Kane, 1/12/87. [3]Figures are for year ended 12/31/85.
[4]Succeeded by Charles L Blackburn, 2/1/87. [5]Formerly Diamond Shamrock.

Compensation (000)				Rank among		Rank in	Stock owned		1986			% change	
salary + bonus	other	stock gains	total	800 execs	Industry	industry	%	mkt val (mil)	sales (mil)	profits (mil)	employ (000)	profits	salary + bonus
$483	—	—	$483	581	retailing	30 of 38	0.44%	$5.4	$2,003	$25.5	30.4	–61%	–28%
205	$1	—	206	781	electric utilities	65 of 73	0.02	0.2	1,049	118.8	4.0	1	11
471	9	$161	641	450	banks	77 of 192	0.18	0.6	501	30.1	3.5	11	9
667	13	14	694	411	oil	19 of 29	0.11	1.3	1,570	78.3	5.2	–25	3
635	88	—	723	383	banks	61 of 192	0.02	0.2	3,457	183.3	18.4	–9	–14
384	25	—	409	641	banks	137 of 192	1.38	2.8	419	29.1	2.1	33	–4
1,083	39	—	1,122	210	telecommunications	6 of 19	0.01	0.6	7,902	1,022.7	69.4	3	14
494	—	—	494	571	food distributor	18 of 24	0.90	8.7	1,103	–4.9	49.0	NM	1
299	28	—	327	699	banks	156 of 192	3.70	6.8	356	29.0	0.7	12	–19
800	2,016	—	2,816	38	consumer products	1 of 23	0.45	3.8	1,959	–98.3	21.9	NM	NA
409	7	—	416	638	banks	136 of 192	3.66	5.0	352	–7.2	2.0	NM	2
228	1	—	229	769	electric utilities	61 of 73	0.05	0.3	551	64.2	2.0	–2	11
514	188	—	702	402	banks	66 of 192	1.68	6.6	311	30.8	2.2	13	13
251	—	—	251	754	banks	180 of 192	19.1	18.9	339	23.2	0.6	44	NA
263	8	—	27†	733	electric utilities	50 of 73	0.00	0.1	1,704	203.7	5.8	14	25
465	2	—	467	598	electric utilities	19 of 73	0.01	0.3	3,072	379.8	13.9	19	30
1,048	—	—	1,048	232	construction	7 of 20	0.11	0.8	1,114	57.3	7.2	7	51
470	11	—	481	584	aerospace & defense	17 of 17	0.21	1.9	3,440	78.7	32.7	–3	–11
505	—	—	505	562	banks	109 of 192	0.12	0.6	436	53.1	2.8	59	12
461	26	—	487	579	banks	115 of 192	0.23	1.0	2,129	–82.1	11.3	NM	–3
505	13	—	518	550	financial services	20 of 21	9.03	122.5	591	60.1	3.1	8	7
1,007	1,170	113	2,290	57	computers & elec	3 of 29	0.14	7.6	7,432	–43.4	73.1	NM	9
871	349	88	1,308	157	construction	4 of 20	0.69	7.7	3,644	15.6	27.7	–88	42
1,117	17	—	1,134	206	insurance	16 of 42	0.42	4.5	1,068	42.6	17.5	NM	98
1,079	364	—	1,443	131	telecommunications	2 of 19	0.02	2.8	9,921	1,167.1	79.7	7	52
590	—	—	590	485	banks	88 of 192	0.48	0.6	529	32.7	2.4	NM	21
487	34	—	521	546	metals	8 of 12	0.14	1.0	2,641	–480.3	21.6	NM	18
449	295	—	744	369	leisure & recreation	8 of 13	0.01	0.2	1,629	103.5	13.8	180	NA
662	25	—	687	416	metals	7 of 12	0.10	1.6	1,308	–65.8	11.6	NM	31
293	119	75	487	577	banks	117 of 192	0.73	3.6	367	40.1	2.4	72	13

Warren E. Buffett, chief of Berkshire Hathaway, was paid just $101,099 in 1986. But the value of his and his wife's 45% of the company continued rising—to $1.7 billion.

712	10	27	749	365	metals	5 of 12	0.03	0.4	3,639	101.9	26.0	NM	NA
638	97	—	735	376	natural gas	6 of 17	0.32	4.5	3,691	–4.3	5.0	NM	–6
269†	—	—	269	735	food distributor	24 of 24	0.95	9.6	645	43.3	22.0	12	NA
865	127	145	1,137	204	construction	5 of 20	0.28	3.8	2,998	193.2	38.6	500+	40
731	—	—	731	377	banks	59 of 192	0.27	2.0	832	78.1	5.6	32	11
810	30	481	1,321	151	retailing	7 of 38	0.80	12.5	1,553	106.0	13.3	42	2
808	491	79	1,378	141	indus & office svcs	6 of 10	0.20	2.5	2,639	95.9	28.0	22	–8
1,241	856	—	2,097	68	retailing	4 of 38	0.03	6.8	44,282	1,351.3	475.7	4	NA
900	9	154	1,063	226	surface transport	7 of 13	0.06	2.8	6,941	–524.6	45.9	NM	–15
695	4	—	699	408	oil	18 of 29	0.08	1.1	2,513	–115.6	9.6	NM	–18

†Salary not annualized. NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Undergraduate	Graduate degree	Professional background
Bernard A Bridgewater Jr	Brown Group	53	8	5	Tulsa, OK	Westminster Coll	MBA	administration
Paul W Briggs	Rochester Gas & Elec	64	41	6	Fairport, NY	Bentley Coll	—	finance
Philip R Brinkerhoff	Fin Cp Santa Barbara	44	2	2	Wilmington, NC	Brigham Young	JD	finance
Alfred Brittain III	Bankers Trust NY	64	40	12	Evanston, IL	Yale	—	banking
Perry G Brittain[1]	Texas Utilities	62	37	4	Center, TX	U of Texas	—	technical
Eli Broad	Kaufman & Broad	54	30	30	New York, NY	Michigan State	—	founder
Henry B Brock Jr	Central Bancshares	61	16	16	Fort Payne, AL	U of Alabama	—	founder
Theodore F Brophy	GTE	64	29	11	New York, NY	Yale	—	legal
Bennett A Brown	Citizens & Southern	58	32	9	Kingstree, SC	Presbyterian Coll	—	banking
WL Lyons Brown Jr	Brown-Forman	50	26	11	Louisville, KY	U of Virginia	—	marketing
William L Brown	Bank of Boston	65	38	4	Hendersonville, NC	Newberry Coll	MBA	banking
Cees Bruynes	North Amer Philips	54	12	5	Netherlands	—	—	marketing
John H Bryan Jr	Sara Lee	50	27	12	West Point, MS	Southwestern	—	administration
Peter T Buchanan	First Boston	52	30	4	Orange, NJ	Princeton	—	investment
Edward H Budd	Travelers	54	32	6	Zanesville, OH	Tufts	—	insurance
Clement L Buenger	Fifth Third Bancorp	61	17	6	Cincinnati, OH	Xavier	—	banking
Warren E Buffett	Berkshire Hathaway	56	22	17	Omaha, NE	U of Nebraska	MS	investment
I David Bufkin	Texas Eastern	65	38	7	Haynesville, LA	Louisiana Tech	—	technical
Dean L Buntrock	Waste Management	56	30	18	Columbia, SD	St Olaf Coll	—	founder
James E Burke	Johnson & Johnson	62	34	10	Rutland, VT	Holy Cross Coll	MBA	marketing
M Anthony Burns	Ryder System	44	13	4	Las Vegas, NV	Brigham Young	MBA	finance
Jack D Burstein	American Capital	41	3	3	Poland	City Coll New York	—	finance
August A Busch III	Anheuser-Busch Cos	50	30	12	St Louis, MO	—	—	operations
Willard C Butcher	Chase Manhattan	60	40	7	Bronxville, NY	Brown	—	banking
George A Butler	First Pennsylvania	59	37	7	Westmont, NJ	U of Pennsylvania	—	banking
John J Byrne	Fireman's Fund	54	1	1	Dubuque, IA	Rutgers	MS	insurance
Wilson K Cadman	Kansas Gas & Elec	59	36	6	Wichita, KS	Wichita State	—	administration
Donald R Caldwell	Atlantic Financial	41	4	2	Boston, MA	Babson Coll	MBA	banking
D Wayne Calloway	PepsiCo	51	20	1	Sequim, WA	Wake Forest	—	finance
Richard W Calvert	National Bcshs Texas	55	23	16	Cambridge, MA	Princeton	—	banking
Robert K Campbell	Pennsylvania P&L	57	10	8	Chicago, IL	Illinois Inst of Tech	JD	technical
John C Canepa	Old Kent Financial	56	17	5	Newburyport, MA	Harvard	MBA	banking
Joseph E Cappy	American Motors	53	5	1	Chicago, IL	U of Wisconsin	—	marketing
Fred Carr	First Executive[2]	56	12	12	Los Angeles, CA	—	—	finance
Rafael Carrion Jr	Banco Popular PR	72	54	30	Puerto Rico	—	—	banking
Raymond E Cartledge	Union Camp	58	30	1	Pensacola, FL	U of Alabama	—	sales
Weldon W Case[3]	Alltel	66	17	17	Hudson, OH	—	—	administration
Finn MW Caspersen	Beneficial Corp	45	15	10	New York, NY	Brown	—	legal
William J Catacosinos	Long Island Lighting	57	8	3	New York, NY	NYU	PhD	technical
Robert E Cawthorn	Rorer Group	51	5	2	England	—	—	administration
Durwood Chalker	Central & South West	63	37	7	Breckenridge, TX	Texas A&M	—	technical
Colby H Chandler	Eastman Kodak	62	36	3	Strong, ME	U of Maine	—	technical
Alvah H Chapman Jr	Knight-Ridder	66	26	11	Columbus, OH	The Citadel	—	operations
Robert A Charpie	Cabot	61	18	18	Cleveland, OH	Carnegie Inst of Tech	LLD	technical
Weston R Christopherson	Northern Trust	62	2	2	Walum, ND	U of North Dakota	JD	legal

[1]Succeeded by Jerry S Farrington, 2/20/87. [2]Figures are for year ended 12/31/85. [3]Succeeded by Joe T Ford, 5/1/87.

Compensation (000) salary + bonus	other	stock gains	total	Rank among 800 execs	Industry	Rank in industry	Stock owned %	Stock owned mkt val (mil)	1986 sales (mil)	1986 profits (mil)	1986 employ (000)	% change profits	% change salary + bonus
$525	$17	$176	$718	389	retailing	21 of 38	0.26%	$1.9	$1,407	$39.5	$25.5	–23%	–26%
255	13	—	268	737	electric utilities	51 of 73	0.02	0.1	749	104.5	2.6	–4	12
645	18	249	912	289	banks	37 of 192	4.50	2.9	403	19.5	0.8	500+	–16
1,299	367	999	2,665	44	banks	3 of 192	0.11	3.5	4,923	427.9	10.8	15	38
454	16	—	470	590	electric utilities	17 of 73	NA	NA	3,932	626.9	16.7	7	12
925	—	1,915	2,840	37	insurance	3 of 42	68.00	331.2	1,138	44.2	2.4	47	49
452	16	—	468	595	banks	121 of 192	4.30	17.2	354	36.5	2.6	19	1
1,122	123	—	1,245	174	telecommunications	3 of 19	0.01	0.8	15,112	1,184.3	167.5	NM	8
406	206	—	612	475	banks	84 of 192	0.24	3.5	1,663	155.8	12.7	25	20
691	150	—	841	317	beverages & tobacco	7 of 11	40.30	613.9	995	86.4	6.7	6	–4
755	62	—	817	328	banks	48 of 192	‡	0.1	3,540	232.8	20.0	34	40
765	225	—	990	259	consumer products	10 of 23	0.07	0.8	4,532	68.5	51.1	–16	–6
1,179	—	—	1,179	190	food processor	10 of 23	0.24	10.7	7,938	223.5	89.9	8	11
2,999	248	—	3,247	26	financial services	3 of 21	0.87	13.3	3,258	180.6	4.0	39	30
830	20	420	1,270	163	insurance	12 of 42	0.17	7.4	16,047	504.6	32.3	34	12
430	57	—	487	578	banks	116 of 192	0.36	2.4	325	55.1	2.1	25	28
101	—	—	101	795	conglomerates	20 of 20	44.7	1,733.0	2,177	282.4	23.0	–35	1
630	96	—	726	380	natural gas	8 of 17	0.10	1.9	4,074	1.3	10.5	–97	–4
1,099	75	6,163	7,337	5	indus & office svcs	1 of 10	0.83	65.0	2,018	370.9	22.5	116	41
1,154	—	573	1,727	95	consumer products	4 of 23	0.05	7.4	7,003	329.5	76.0	–46	16
953	—	1,812	2,765	41	surface transport	1 of 13	0.21	6.4	3,768	160.9	31.2	28	13
422	—	—	422	634	banks	135 of 192	83.00	62.5	474	9.2	1.8	31	40
1,324	17	—	1,341	148	beverages & tobacco	5 of 11	0.24	22.0	7,677	518.0	40.6	17	10
1,089	390	160	1,639	105	banks	9 of 192	0.23	6.9	9,460	585.4	47.0	4	5
551	6	—	557	512	banks	95 of 192	0.42	1.9	534	21.5	3.6	28	30
670	93	—	763	357	insurance	25 of 42	2.87	68.4	3,699	228.4	12.4	NM	137
205	1	—	206	780	electric utilities	66 of 73	0.01	0.1	496	57.0	2.5	–42	1
337	11	—	348	688	banks	149 of 192	0.50	0.2	538	11.3	1.5	13	33
910	—	—	910	290	beverages & tobacco	6 of 11	0.01	0.7	9,291	457.8	182.0	–16	NA
255	8	—	263	743	banks	173 of 192	0.10	0.1	295	–32.1	2.0	NM	–13
315	—	—	315	710	electric utilities	45 of 73	0.01	0.4	2,189	300.1	8.4	3	17
468	—	—	468	596	banks	120 of 192	1.10	5.1	517	60.6	3.3	23	28
299	6	6	311	712	automotive	18 of 18	0.02	0.1	3,463	–91.3	21.0	NM	NA
1,346	—	—	1,346	146	insurance	11 of 42	2.20	20.2	3,629	157.0	0.9	27	19
238	36	—	274	729	banks	167 of 192	0.03	0.1	406	37.5	3.9	14	4
398	10	99	507	558	paper	10 of 13	0.02	0.5	2,045	129.9	17.4	37	–24
520	—	—	520	547	telecommunications	16 of 19	0.54	4.6	697	55.7	5.9	–21	16
837	159	—	996	255	financial services	16 of 21	3.91	43.7	1,134	–191.0	6.8	NM	0
275	7	—	282	724	electric utilities	47 of 73	0.01	0.1	1,977	316.7	5.9	–40	29
350	2	—	352	684	health	29 of 32	0.60	6.0	845	125.6	7.5	241	20
413	56	—	469	591	electric utilities	18 of 73	0.01	0.2	2,553	355.2	9.3	5	9
977	—	56	1,033	239	leisure & recreation	6 of 13	0.01	1.8	11,550	374.0	125.2	13	8
671	4	826	1,501	123	communications	5 of 28	1.04	30.5	1,911	140.0	23.0	6	–17
588	1	—	589	488	oil	21 of 29	0.83	8.6	1,310	73.1	7.2	NM	31
794	38	—	832	319	banks	45 of 192	0.49	2.9	758	52.3	4.6	53	24

‡Less than 0.01%. NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Undergraduate	Graduate degree	Professional background
John Gilray Christy	IU International	54	15	6	Silver Creek, NY	Dartmouth Coll	MA	operations
Robert Cizik	Cooper Industries	56	25	12	Scranton, PA	U of Connecticut	MBA	finance
Donald C Clark	Household Intl	55	31	4	Brooklyn, NY	Clarkson	MBA	finance
Earnest H Clark Jr[1]	Baker-Hughes[2]	60	39	22	Birmingham, AL	Calif Inst of Tech	MS	technical
Worley H Clark Jr	Nalco Chemical	55	27	4	Big Stone Gap, VA	North Carolina State	—	sales
Richard A Clarke	Pacific Gas & Elec	57	32	1	San Francisco, CA	U of Calif at Berkeley	—	legal
Alden W Clausen	BankAmerica	64	37	1	Hamilton, IL	Carthage Coll	—	banking
Orrin C Clay	American Natl Ins	56	16	9	Bountiful, UT	Brigham Young	MBA	administration
Robert B Claytor[3]	Norfolk Southern	65	35	5	Roanoke, VA	Princeton	JD	legal
John L Clendenin	BellSouth	53	31	3	El Paso, TX	Northwestern	—	operations
Richard G Cline	Nicor	52	1	1	Chicago, IL	U of Illinois	—	marketing
Israel Cohen	Giant Food	74	51	9	Israel	—	—	founder
Charles W Cole Jr	First Maryland Bncp	51	26	3	Baltimore, MD	U of Maryland	—	banking
Lester E Coleman	Lubrizol	56	32	9	Akron, OH	U of Akron	PhD	technical
Edwin I Colodny	USAir Group	61	29	11	Burlington, VT	U of Rochester	—	legal
Herbert D Conant	Turner Corp	63	37	2	Troy, NY	Stevens Inst of Tech	—	technical
Harry M Conger	Homestake Mining	56	11	8	Seattle, WA	Colo School of Mines	—	technical
John F Connelly	Crown Cork & Seal	82	30	30	Philadelphia, PA	—	—	sales
Walter J Connolly Jr	Bank of New England	59	26	7	Boston, MA	Yale	MBA	banking
James W Conte	Community Psych Ctrs	59	18	10	Chicago, IL	U of Iowa	MS	administration
Lodwrick M Cook	Atlantic Richfield	59	30	1	Castor, LA	Louisiana State	MBA	operations
Paul M Cook	Raychem	63	30	30	Ridgewood, NJ	MIT	—	founder
Stanton R Cook	Tribune	61	36	15	Chicago, IL	Northwestern	—	technical
William S Cook	Union Pacific	64	18	4	Duluth, MN	U of Minnesota	—	finance
William A Cooper	TCF Banking & Saving	43	2	2	Detroit, MI	Wayne State	—	finance
Jeffrey H Coors	Adolph Coors	42	19	2	Greenwich, CT	Cornell	MS	technical
Joe B Cordell	Jim Walter	59	28	3	Daytona Beach, FL	U of Florida	—	finance
William E Cornelius	Union Electric	55	24	3	Salt Lake City, UT	U of Missouri	MA	finance
Robert L Crandall	AMR	52	14	2	Westerly, RI	U of Rhode Island	MBA	finance
Gordon L Crenshaw	Universal Leaf	65	41	21	Richmond, VA	U of Virginia	—	sales
John H Croom	Columbia Gas System	54	33	2	Fayetteville, NC	North Carolina State	—	marketing
Gordon E Crosby Jr	USLife	66	28	21	Remsen, IA	—	—	marketing
William M Crozier Jr	BayBanks	54	23	12	New York, NY	Yale	MBA	banking
Thomas H Cruikshank	Halliburton	55	18	4	Lake Charles, LA	Rice	—	legal
Edward E Crutchfield Jr	First Union	45	22	3	Detroit, MI	Davidson Coll	MBA	banking
Hugh L Culbreath	TECO Energy	66	30	15	Tampa, FL	US Naval Acad	—	finance
John B Curcio	Mack Trucks	53	20	3	Hazleton, PA	LaSalle Coll	—	administration
John J Curley	Gannett	48	17	1	Easton, PA	Dickinson Coll	MS	journalism
Nevius M Curtis	Delmarva Power & Lt	57	8	5	Holyoke, MA	Haverford Coll	MBA	administration
Clifford A Cutchins III	Sovran Financial	63	39	7	Southampton City, VA	Virginia Poly Inst	—	banking
Warner N Dalhouse	Dominion Bankshares	53	31	5	Roanoke, VA	U of Virginia	—	marketing
Douglas D Danforth	Westinghouse Elec	64	32	3	Syracuse, NY	Syracuse	—	production
Robert F Daniell	United Technologies	53	31	1	Milton, MA	Boston	—	technical
A Dano Davis	Winn-Dixie Stores	42	18	4		—	—	retailing
Donald W Davis[4]	Stanley Works	66	39	21	Springfield, MA	Pennsylvania State	MBA	administration

[1]Succeeded by James D Woods, 1/28/87. [2]Formerly Baker International. [3]Succeeded by Arnold B McKinnon, 3/1/87. [4]Succeeded by Richard H Ayers, 4/22/87.

Compensation (000)				Rank among 800 execs	Industry	Rank in industry	Stock owned		1986			% change	
salary + bonus	other	stock gains	total				%	mkt val (mil)	sales (mil)	profits (mil)	employ (000)	profits	salary + bonus
$174	—	$549	$1,323	149	conglomerates	7 of 20	1.51%	$7.5	$1,455	$46.5	14.0	NM	21%
807	—	—	807	333	heavy equipment	7 of 13	0.21	5.6	3,433	147.7	43.1	9%	–5
1,110	$544	—	1,654	103	conglomerates	4 of 20	0.40	8.5	2,741	247.8	21.5	17	8
601	11	—	612	476	oil	20 of 29	0.18	3.6	1,557	–361.6	17.7	NM	–27
445	1	32	478	587	chemicals	20 of 20	0.19	2.4	736	63.7	5.0	–13	23
437	15	—	452	611	electric utilities	23 of 73	0.00	0.2	7,817	1,081.2	29.4	5	NA
575*	—	—	575	499	banks	91 of 192	0.02	0.4	12,072	–517.6	73.3	NM	NA
384	94	—	478	586	insurance	31 of 42	0.09	0.9	828	248.4	7.8	68	15
957	24	723	1,704	96	surface transport	2 of 13	0.06	3.2	4,076	518.7	38.3	4	18
1,044	115	—	1,159	199	telecommunications	5 of 19	0.00	0.5	11,444	1,588.7	94.6	12	40
571	272	—	843	315	natural gas	4 of 17	0.35	3.0	1,807	125.0	4.6	NM	NA
991	—	2,445	3,436	22	food distributor	2 of 24	5.00	44.8	2,247	57.0	20.7	26	3
358	—	273	631	457	banks	81 of 192	0.76	3.2	529	36.1	3.9	28	13
583	19	30	632	456	chemicals	17 of 20	0.27	3.8	985	78.2	5.0	30	17
604	30	84	718	388	air transport	4 of 11	0.33	3.7	1,835	98.4	14.4	–16	10
490	—	—	490	574	construction	19 of 20	1.46	1.6	2,497	10.1	3.0	–9	15
428	—	428	856	310	metals	3 of 12	0.29	5.2	312	22.6	2.0	–3	53
216	1	—	217	773	packaging	5 of 6	16.80	188.4	1,619	79.4	12.5	11	0
654	—	—	654	438	banks	73 of 192	0.14	3.0	1,830	171.8	14.0	31	16
575	—	—	575	497	health	25 of 32	2.30	26.5	231	51.3	4.2	15	0
990	32	—	1,022	243	oil	10 of 29	0.01	1.4	14,487	615.1	29.0	NM	35
324	—	—	324	703	electrical equipment	8 of 8	2.22	27.8	798	48.8	9.8	72	7
797	29	—	826	322	communications	15 of 28	17.00	498	2,030	292.9	18.0	137	24
1,250	70	—	1,320	152	surface transport	6 of 13	0.26	19.2	6,574	–460.2	39.5	NM	9
330	—	—	330	697	banks	154 of 192	1.28	1.2	616	19.7	1.8	500+	32
431	—	—	431	628	beverages & tobacco	11 of 11	0.07	0.7	1,015	59.4	9.6	11	NA
876	64	52	992	258	conglomerates	10 of 20	0.16	2.6	2,321	138.6	17.2	24	21
432	4	—	436	626	electric utilities	25 of 73	0.01	0.3	1,807	343.9	7.4	2	34
835	—	337	1,172	194	air transport	1 of 11	0.09	2.7	6,018	279.1	53.2	–19	26
503	16	—	519	548	beverages & tobacco	9 of 11	0.82	4.4	1,129	47.1	14.0	2	10
455	27	—	482	583	natural gas	14 of 17	0.02	0.4	3,370	99.4	10.7	NM	14
689	381	199	1,269	165	insurance	13 of 42	0.36	2.6	1,179	92.3	2.0	21	10
406	30	380	816	329	banks	50 of 192	0.43	2.5	678	58.9	5.5	21	11
600	180	—	780	348	oil	16 of 29	0.07	2.6	3,527	–515.2	55.9	NM	0
790	63	28	881	301	banks	41 of 192	0.07	2.0	2,529	295.8	17.6	70	24
319	53	242	614	474	electric utilities	7 of 73	0.08	1.0	902	97.6	4.3	–1	9
350	156	—	506	560	automotive	17 of 18	0.05	0.2	1,712	–34.1	11.6	NM	17
896	12	—	908	292	communications	13 of 28	0.07	5.2	2,801	276.4	32.4	9	NA
279	—	—	279	727	electric utilities	48 of 73	0.01	0.1	715	96.1	2.6	–1	9
640	58	127	825	324	banks	46 of 192	0.31	4.6	1,495	148.0	10.6	19	35
401	12	67	480	585	banks	118 of 192	0.33	1.5	561	47.4	3.9	21	13
1,244	1,691	385	3,320	24	electrical equipment	3 of 8	0.05	4.1	10,731	670.8	117.3	11	26
850	80	257	1,187	187	aerospace & defense	7 of 17	0.15	8.9	15,669	72.7	189.2	–77	NA
436	105	—	541	525	food distributor	17 of 24	2.3	42.8	8,225	116.4	75.6	8	16
712	577	—	1,289	158	heavy equipment	3 of 13	0.37	5.1	1,371	78.7	16.1	1	–9

*Annualized salary. NA: Not available. NM: Not meaningful.

What the Boss Makes

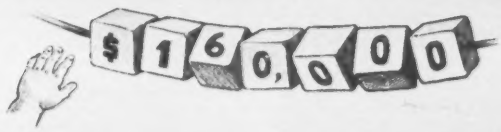
Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Under-graduate	Graduate degree	Professional background
Martin S Davis	Gulf & Western	60	29	4	New York, NY	—	—	marketing
Daniel P Davison	US Trust	62	8	6	New York, NY	Yale	JD	banking
Frank R Day	First Capital	49	29	11	Aberdeen, MS	U of Mississippi	—	banking
Robert J Day	USG	62	37	2	Ottawa, IL	Pennsylvania State	—	sales
Edson D de Castro	Data General	48	19	19	Plainfield, NJ	U Lowell	—	founder
Frederick Deane Jr	Signet Banking	60	33	13	Boston, MA	Harvard	MBA	finance
William J Deasy	Morrison-Knudsen	50	23	1	New York, NY	Cooper Union	—	operations
Richard H Deihl	HF Ahmanson	58	37	3	Whittier, CA	Whittier Coll	—	banking
Patrick A Delaney	Whitney Holding	55	33	10		—	—	banking
Leo E Denles Jr	Farmers Group	55	5	1	New York, NY	Villanova	MBA	finance
Mathias J DeVito	Rouse	56	18	8	Trenton, NJ	U of Maryland	—	legal
William T Dillard Sr	Dillard Dept Stores	72	48	48	Mineral Springs, AR	U of Arkansas	MS	founder
Michael D Dingman	Henley Group	55	17	16	New Haven, CT	U of Maryland	—	operations
Joseph L Dionne	McGraw-Hill	54	21	4	Montgomery, AL	Hofstra	EdD	operations
John W Dixon	E-Systems	67	25	18	Lexington, KY	U of Houston	MA	administration
Kent Dixon	Northeast Savings FA	49	26	4	Glens Falls, NY	Union Coll	—	banking
Beverly F Dolan	Textron	59	33	2	Augusta, GA	U of Georgia	—	operations
G Morris Dorrance Jr	Corestates Financial	64	35	18	Philadelphia, PA	U of Pennsylvania	MBA	finance
Kenneth J Douglas	Dean Foods	64	33	17	Harbor Beach, MI	—	JD	legal
Arthur J Doyle	Kansas P&L	64	14	7	Boston, MA	—	JD	legal
E Linn Draper	Gulf States Utils	45	8	1	Houston, TX	Rice	PhD	technical
Gary H Driggs	Western S&L	52	24	11	Phoenix, AZ	Brigham Young	—	banking
Frederick R Dusto	Hubbell	58	17	3	Highland Park, IL	Purdue	—	marketing
Brian G Dyson	Coca-Cola Enterpr	52	28	1	Argentina	U of Buenos Aires	—	finance
Richard K Eamer	National Medical	59	18	18	Long Beach, CA	U of Southern Calif	—	founder
Leonard J Eaton Jr	BancOklahoma	52	15	8	Bronxville, NY	Cornell	PMD	banking
Lewis S Eaton	Guarantee Financial	67	41	20	San Francisco, CA	Stanford	—	banking
Spencer F Eccles	First Security	52	28	6	Ogden, UT	U of Utah	MS	banking
William S Edgerly	State Street Boston	60	11	11	Lewiston, ME	MIT	MBA	finance
George W Edwards Jr	United Illuminating	48	2	2	East Hampton, NY	U of Arkansas	—	administration
Raymond D Edwards	GlenFed	68	41	22	Los Angeles, CA	U of Calif at Berkeley	—	marketing
Michael D Eisner	Walt Disney	45	2	2	Mount Kisco, NY	Denison	—	operations
James R Eiszner	CPC International	59	23	2	Chicago, IL	U of Illinois	PhD	technical
Walter Y Elisha	Springs Industries	54	7	6	Gary, IN	Wabash Coll	MA	administration
Terrence A Elkes	Viacom International	53	15	3	New York, NY	City Coll New York	JD	legal
James A Elkins Jr	First Bancorp	68	45	24	Galveston, TX	Princeton	—	banking
Karl Eller	Circle K	59	3	3	Chicago, IL	U of Arizona	—	marketing
John W Ellis	Puget Sound P&L	58	17	11	Seattle, WA	U of Washington	JD	legal
William B Ellis	Northeast Utilities	46	11	4	Vicksburg, MS	Carnegie Mellon	PhD	technical
John A Elorriaga	US Bancorp	63	36	12	Jordan Valley, OR	U of Oregon	MBA	banking
John C Emery Jr	Emery Air Freight	62	40	11	Madison, WI	—	—	founder
Robert F Erburu	Times Mirror	56	25	6	Ventura, CA	U of Southern Calif	JD	legal
Evans W Erikson	Sundstrand	60	34	7	Rockford, IL	U of Illinois	—	technical
William T Esrey	United Telecom	47	7	2	Philadelphia, PA	Denison	MBA	administration
Edward P Evans	Macmillan	45	7	7	Pittsburgh, PA	Yale	MBA	administration

Compensation (000) salary + bonus	other	stock gains	total	Rank among 800 execs	Industry	Rank in industry	Stock owned %	Stock owned mkt val (mil)	1986 sales (mil)	1986 profits (mil)	1986 employ (000)	% change profits	% change salary + bonus
$2,321	$18	—	$2,339	54	financial services	8 of 21	1.02%	$48.8	$4,007	$263.8	19.7	12%	88%
653	339	$406	1,398	137	banks	13 of 192	0.58	2.0	308	29.9	2.0	21	21
230	3	—	233	765	banks	187 of 192	4.00	9.8	214	23.5	1.5	12	13
769	11	741	1,521	117	construction	3 of 20	0.19	3.9	2,724	225.5	21.7	1	22
453	—	—	453	610	computers & elec	21 of 29	3.40	28.2	1,268	5.7	16.1	–77	21
523	225	—	748	366	banks	55 of 192	0.63	5.1	908	86.3	5.6	21	5
546	1	—	547	520	construction	16 of 20	0.22	1.1	2,083	39.4	19.5	–5	7
780	299	237	1,316	154	banks	16 of 192	1.20	26.6	3,029	303.6	8.9	38	18
425	43	—	468	593	banks	119 of 192	0.11	0.4	229	28.1	1.0	–13	0
420	46	—	466	600	insurance	32 of 42	0.01	0.2	1,120	213.5	14.7	16	NA
747	—	—	747	367	construction	10 of 20	1.49	15.7	340	19.1	3.0	97	10
970	30	—	1,000	250	retailing	15 of 38	0.20	2.5	1,851	74.5	18.4	11	3
1,055	24	—	1,079	223	construction	6 of 20	1.37	36.9	3,172	–426.0	22.4	NM	7
764	232	—	996	256	communications	10 of 28	0.15	4.7	1,577	154.0	14.9	4	80
1,788	14	—	1,802	89	aerospace & defense	4 of 17	1.10	11.6	1,135	61.6	14.2	37	5
253	—	—	253	752	banks	177 of 192	0.03	§	467	37.8	1.6	NM	0
1,465	30	475	1,970	75	conglomerates	3 of 20	0.06	1.4	6,951	245.9	64.0	10	18
571	54	352	977	267	banks	35 of 192	0.38	5.8	1,391	148.1	7.5	–23	–4
198	37	—	235	763	food processor	23 of 23	0.46	3.8	1,269	40.7	5.8	28	–62
267	1	—	268	738	electric utilities	52 of 73	0.03	0.2	665	106.5	2.8	–31	9
243	4	15	262	744	electric utilities	56 of 73	0.01	0.1	1,478	245.0	5.0	–8	NA
414	111	—	525	541	banks	105 of 192	10.40	26.4	549	30.2	1.8	–18	–20
440	—	—	440	623	electrical equipment	7 of 8	0.24	2.2	559	54.5	5.7	14	14
500*	—	—	500	564	beverages & tobacco	10 of 11	0.01	0.2	1,951	27.8	21.0	–23	NA
972	—	—	972	269	health	15 of 32	2.20	44.1	2,962	94.0	74.9	–37	–1
283	27	—	310	713	banks	162 of 192	0.07	§	264	–139.4	1.4	NM	0
385	—	—	385	662	banks	143 of 192	21.30	36.7	353	6.7	1.7	–52	6
342	10	—	352	683	banks	148 of 192	2.65	8.5	610	5.1	4.6	–73	0
585	—	—	585	489	banks	89 of 192	2.20	21.4	640	71.4	5.1	29	14
226	—	—	226	771	electric utilities	62 of 73	0.07	0.3	471	101.6	1.5	2	77
484	10	147	641	449	banks	76 of 192	0.30	1.8	1,657	76.4	4.9	49	41
3,377	21	—	3,398	23	leisure & recreation	2 of 13	0.75	63.1	2,471	247.3	31.0	43	59
647	210	232	1,089	220	food processor	12 of 23	0.15	5.8	4,549	219.2	38.9	54	31
810	29	—	839	318	consumer products	12 of 23	0.28	1.5	1,505	32.6	23.5	145	74
651	14	266	931	285	communications	11 of 28	0.21	3.8	919	–9.9	4.6	NM	4
451	125	—	576	496	banks	90 of 192	2.71	3.3	1,410	–402.0	8.1	NM	–10
440	—	690	1,130	208	food distributor	7 of 24	4.20	29.2	2,111	39.8	18.0	19	38
225	12	—	237	761	electric utilities	58 of 73	NA	NA	715	110.2	2.4	–12	–21
386	77	—	463	601	electric utilities	20 of 73	0.01	0.2	2,032	300.9	9.2	4	21
550	25	777	1,352	145	banks	15 of 192	0.57	4.8	832	77.2	5.6	17	11
506	—	—	506	559	air transport	8 of 11	1.17	3.0	887	–5.4	7.2	NM	9
1,108	—	—	1,108	211	communications	8 of 28	3.50	181.6	2,920	408.1	29.3	72	27
660	481	—	1,141	202	aerospace & defense	9 of 17	0.31	3.4	1,434	45.4	16.1	–39	8
602	75	—	677	425	telecommunications	13 of 19	0.04	1.0	3,059	180.6	25.3	500+	40
640	8	—	648	445	communications	21 of 28	2.00	24.9	818	57.6	8.3	29	5

§Less than $100,000. NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Undergraduate	Graduate degree	Professional background
James L Everett	Philadelphia Elec	60	37	9	Charlotte, NC	Pennsylvania State	MS	technical
Lyle Everingham	Kroger	61	40	9	Flint, MI	—	—	retailing
Charles E Exley Jr	NCR	57	10	4	Detroit, MI	Wesleyan	MBA	finance
David C Farrell	May Dept Stores[1]	54	31	8	Chicago, IL	Antioch Coll	—	retailing
Bernard M Fauber	K mart	64	45	7	Botetourt Cty, VA	—	—	retailing
Robert R Ferguson Jr	First Fidelity Bncp	63	37	14	Savannah, GA	Lehigh	—	banking
E James Ferland	Public Svc Ent Gp	45	1	1	Boston, MA	U of Maine	MBA	technical
Richard J Ferris	Allegis[2]	50	24	8	Sacramento, CA	Cornell	—	administration
John B Fery	Boise Cascade	57	30	14	Bellingham, WA	U of Washington	MBA	production
Thomas W Field Jr	McKesson	53	2	1	Alhambra, CA	—	—	retailing
Harold B Finch Jr	Nash Finch	59	21	5	Grand Forks, ND	U of Minnesota	—	technical
Paul Fireman	Reebok International	43	8	8	Cambridge, MA	Boston	—	sales
Charles T Fisher III	NBD Bancorp	57	28	4	Detroit, MI	Georgetown	MBA	banking
Donald G Fisher	Gap	58	17	17	San Francisco, CA	U of Calif	—	founder
William A Fitzgerald	Commercial Federal	49	32	12	Omaha, NE	Creighton	—	banking
Richard J Flamson III	Security Pacific	58	32	8	Los Angeles, CA	Claremont Men's Coll	—	banking
Joseph B Flavin	Singer	58	11	11	St Louis, MO	U of Massachusetts	MS	finance
Kim Fletcher	Home Federal S&L	59	36	18	Los Angeles, CA	Stanford	—	finance
Peter H Forster	DPL	45	14	2	Detroit, MI	U of Wisconsin	JD	operations
Edward A Fox	Student Loan	50	14	14	New York, NY	Cornell	MBA	finance
Otto N Frenzel III	Merchants National	56	32	14	Indianapolis, IN	U of Pennsylvania	—	banking
Don C Frisbee	PacifiCorp	63	33	15	San Francisco, CA	Pomona Coll	MBA	finance
Dr Thomas F Frist Jr	Hospital Corp	48	18	4	Nashville, TN	Northwestern	MD	founder
Gerald W Fronterhouse	RepublicBank	51	24	2	Ada, OK	U of Oklahoma	MBA	banking
Thomas C Frost	Cullen/Frost Bankers	59	37	16	San Antonio, TX	Washington & Lee	LLD	banking
Richard M Furlaud	Squibb	64	31	21	New York, NY	Princeton	—	legal
Anthony P Gammie	Bowater	52	32	4	England	—	—	production
David C Garrett Jr	Delta Air Lines	64	40	9	Norris, SC	Furman	MS	operations
Clifton C Garvin[3]	Exxon	65	40	11	Portsmouth, VA	Virginia Poly Inst	MS	technical
William H Gates III	Microsoft	30	12	6	Seattle, WA	—	—	founder



Stanley C Gault	Rubbermaid	61	7	7	Wooster, OH	Coll of Wooster	—	marketing
Jerome W Geckle	PHH Group	58	31	6	Baltimore, MD	—	—	administration
Jerry D Geist	Public Service NM	53	27	11	Raton, NM	U of Colorado	—	technical
Richard L Gelb	Bristol-Myers	63	37	15	New York, NY	Yale	MBA	administration
John A Georges	International Paper	56	8	2	El Paso, TX	U of Illinois	MS	technical
Alexander F Giacco[4]	Hercules	67	45	9	Italy	Virginia Poly Inst	—	technical
Robert E Gibson[5]	Valley Federal S&L	58	30	10	Olympia, WA	U of Southern Calif	—	banking
S Parker Gilbert	Morgan Stanley	53	27	3	New York, NY	Yale	—	investment
Daniel E Gill	Bausch & Lomb	51	8	6	Ziegler, IL	Northwestern	—	finance
Andre Gillet	Intl Multifoods	60	36	3	France	Paris	—	administration

[1]Figures for year ended 1/31/86. [2]Formerly UAL. [3]Succeeded by Lawrence G Rawl, 1/1/87. [4]Succeeded by David S Hollingsworth, 3/24/87. [5]Succeeded by Donald C Headlund, 2/26/87.

Compensation (000)				Rank among 800 execs	Industry	Rank in industry	Stock owned %	Stock owned mkt val (mil)	1986 sales (mil)	1986 profits (mil)	1986 employ (000)	% change profits	% change salary + bonus
salary + bonus	other	stock gains	total										
$370	—	—	$370	671	electric utilities	35 of 73	0.01%	$0.2	$3,091	$566.3	10.9	8%	10%
886	$46	$987	1,919	78	food distributor	3 of 24	0.33	9.2	17,123	51.5	165.0	–72	23
938	—	5,357	6,295	7	computers & elec	1 of 29	0.42	29.7	4,882	336.5	62.0	7	4
951	19	670	1,640	104	retailing	5 of 38	0.11	7.6	10,376	381.0	148.1	62	9
1,024	29	2,051	3,104	31	retailing	1 of 38	0.23	18.3	23,812	598.7	320.0	171	14
627	51	611	1,289	159	banks	17 of 192	0.30	3.4	1,210	119.5	9.2	27	12
415*	2	—	417	636	electric utilities	27 of 73	‡	§	4,498	378.5	13.7	–30	NA
579	4	—	583	490	air transport	7 of 11	0.17	6.3	9,196	11.6	87.0	NM	–34
591	49	—	640	451	paper	7 of 13	0.37	8.3	3,740	101.5	23.1	–3	23
400	281	—	681	423	health	21 of 32	0.05	0.7	6,285	77.9	15.2	20	NA
267	50	13	330	696	food distributor	23 of 24	1.64	3.5	1,574	13.8	7.7	15	21
13,052	—	—	13,052	2	apparel and textiles	1 of 5	10.80	260.2	919	132.1	0.9	239	139
828	270	—	1,098	215	banks	25 of 192	0.23	3.1	1,615	145.8	10.2	24	11
963	—	—	963	272	retailing	16 of 38	26.60	540.2	848	68.1	11.5	146	53
340	—	—	340	690	banks	150 of 192	1.58	1.7	340	17.3	0.9	114	24
1,105	47	87	1,239	175	banks	19 of 192	0.10	2.9	5,977	385.9	32.5	20	20
816	67	102	985	262	aerospace & defense	12 of 17	0.61	5.6	1,725	173.0	27.0	110	19
544	9	—	553	514	banks	96 of 192	1.70	10.6	1,169	103.4	3.6	42	24
461	—	—	461	604	electric utilities	21 of 73	0.02	0.2	964	125.9	2.8	123	33
352	312	—	664	433	financial services	18 of 21	NA	NA	1,377	144.6	0.9	17	–21
420	25	—	445	616	banks	127 of 192	8.20	21.9	362	32.1	1.9	86	9
607	—	—	607	480	electric utilities	8 of 73	0.10	2.3	2,067	250.9	10.4	1	16
300	353	—	653	439	health	22 of 32	1.40	43.1	4,931	174.6	89.0	–38	20
446	21	—	467	599	banks	122 of 192	1.95	12.5	1,894	54.0	8.3	–61	–20
304	19	—	323	705	banks	158 of 192	4.04	3.0	326	–6.6	2.2	NM	1
1,209	840	—	2,049	70	health	4 of 32	0.31	25.1	1,785	464.3	20.3	105	15
500	19	71	590	486	paper	8 of 13	0.01	0.2	920	49.4	4.6	–27	1
529	352	—	881	300	air transport	2 of 11	0.02	0.4	4,460	47.3	39.0	–82	12
1,577	102	1,243	2,922	34	oil	1 of 29	NA	NA	70,298	5,360.0	123.0	10	9
160	—	—	160	792	indus & office svcs	10 of 10	43.20	1,146.6	198	39.3	1.0	63	0

Youngest chief executive on these pages: William H. Gates III, 30, founder of Microsoft, who earned $160,000 last year. Oldest: Armand Hammer, 89, of Occidental Petroleum, who earned $1.23 million.

821	193	—	1,014	247	consumer products	9 of 23	0.40	8.0	795	70.1	5.9	23	3
363	19	67	449	615	indus & office svcs	8 of 10	0.44	2.7	866	38.5	3.3	–6	–28
563	—	—	563	507	electric utilities	11 of 73	0.05	0.7	698	151.0	3.9	3	21
1,269	84	1,429	2,782	40	health	2 of 32	0.24	33.7	4,836	589.5	35.4	11	8
899	209	—	1,108	212	packaging	1 of 6	0.08	4.3	5,500	305.0	38.0	133	32
1,039	185	—	1,224	180	chemicals	6 of 20	0.09	2.8	2,615	226.7	25.3	70	20
299	—	16	315	708	banks	160 of 192	NA	NA	314	17.0	1.2	63	74
2,849	30	—	2,879	36	financial services	6 of 21	3.90	69.2	2,463	201.3	4.7	90	90
701	121	404	1,226	179	health	12 of 32	0.13	1.8	699	74.7	7.8	12	17
525	12	—	537	528	food processor	19 of 23	0.20	0.8	1,355	24.9	8.6	15	77

‡Less than 0.01%. §Less than $100,000. NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Under-graduate	Graduate degree	Professional background
Herbert Gilman	Ames Dept Stores[1]	62	29	6	Hartford, CT	U of Connecticut	—	technical
John A Gilmartin	Millipore	45	7	2	Hackensack, NJ	Pennsylvania State	MBA	finance
Robert M Ginn	Centerior Energy	63	38	8	Detroit, MI	U of Michigan	MS	technical
Roberto C Goizueta	Coca-Cola	56	32	6	Cuba	Yale	—	technical
Avram J Goldberg	Stop & Shop Cos	57	29	8	Boston, MA	Harvard	JD	retailing
Howard Goldfeder	Federated Dept Strs	61	40	6	New York , NY	Tufts	—	retailing
Bram Goldsmith	City National	64	12	12	Chicago, IL	—	—	finance
Irving Goldstein	COMSAT	49	21	1	Catskill, NY	Queens Coll	JD	operations
Floyd D Gottwald Jr	Ethyl	64	44	17	Richmond, VA	Calif State	—	administration
J Peter Grace	WR Grace	74	50	41	Manhasset, NY	Yale	—	finance
Katharine Graham	Washington Post	70	24	14	New York, NY	U of Chicago	—	administration
David W Grainger	WW Grainger	59	37	13	Chicago, IL	U of Wisconsin	—	administration
Joseph M Grant	Texas American Bcshs	48	12	1	San Antonio, TX	Southern Methodist	PhD	banking
Alex Grass	Rite Aid	59	34	24	Scranton, PA	U of Florida	—	founder
William E Greehey	Valero Energy	51	23	13	Fort Dodge, IA	St Mary's Coll	—	finance
Alan C Greenberg	Bear Stearns Cos	60	38	9	Wichita, KS	—	—	investment
Frank S Greenberg	Burlington Inds	57	28	1	Chicago, IL	U of Chicago	—	marketing
Maurice R Greenberg	American Intl Group	62	26	20	New York, NY	U of Miami	—	insurance
Vincent L Gregory Jr	Rohm & Haas	64	37	16	Oil City, PA	Princeton	MBA	finance
Einar Greve	Tucson Electric	59	12	2	Norway	Tech Inst of Norway	MEE	technical
Kenneth J Griggy	Wilson Foods	53	11	11	Suffield, OH	Athenaeum of Ohio	MEd	marketing
Eugene P Grisanti	Intl Flavors & Frag	57	26	1	Buffalo, NY	Holy Cross Coll	LLM	legal
Jerard M Gross	United Financial	57	2	1	Nashville, TN	Vanderbilt	—	investment
Clifford J Grum	Temple-Inland	52	18	3	Davenport, IA	Austin Coll	MBA	finance
Donald E Guinn	Pacific Telesis	54	33	3	Wellington, KS	Oregon State	—	operations
John H Gutfreund	Salomon	58	34	3	New York, NY	Oberlin Coll	—	investment
Robert P Guyton	Bank South	50	6	5	Blue Mountain, MS	U of Mississippi	MBA	banking
John G Haehl Jr	Niagara Mohawk Power	64	25	14	Brooklyn, NY	U of Southern Calif	—	finance
T Marshall Hahn Jr	Georgia-Pacific	60	12	4	Lexington, KY	U of Kentucky	PhD	technical
George W Haigh	Trustcorp	55	10	8	Toledo, OH	Dartmouth Coll	—	banking
Jordan L Haines	Fourth Financial	60	24	2	Sabetha, KS	U of Arkansas	LLD	administration
John R Hall	Ashland Oil	54	29	5	Dallas, TX	Vanderbilt	—	operations
Brenton S Halsey	James River Corp Va	60	18	18	Newport News, VA	U of Virginia	—	founder
Anthony R Hamilton	Avnet	62	30	7	North Bergen, NJ	—	—	marketing
Armand Hammer	Occidental Petroleum	89	29	29	New York, NY	Columbia	MD	finance
Frederick S Hammer	Meritor Financial	51	2	1	New York, NY	Colgate	PhD	banking
Colin C Hampton	UNUM Corp	64	30	17	New Haven, CT	Vanderbilt	MBA	insurance
H Carey Hanlin	Provident Life & Acc	62	38	8	Chattanooga, TN	U of Michigan	—	insurance
Robert A Hanson	Deere	62	37	4	Moline, IL	Augustana Coll	—	marketing
Henry U Harder	Chubb	62	38	6	New York, NY	Yale	—	insurance
James G Harlow Jr	Oklahoma Gas & Elec	53	26	11	Oklahoma City, OK	U of Oklahoma	—	finance
Charles M Harper	ConAgra	59	12	11	Lansing, MI	Purdue	MBA	administration
Richard D Harrison	Fleming Cos	64	33	21	Salt Lake City, UT	Stanford	—	legal
Robert J Harrison	Public Service NH	56	30	4	St Charles, MO	U of Oklahoma	—	finance
N Berne Hart	United Banks of Col	57	33	8	Denver, CO	Colorado Coll	—	banking

[1]Figures are for year ended 1/31/86.

Compensation (000) salary + bonus	other	stock gains	total	Rank among 800 execs	Industry	Rank in industry	Stock owned %	mkt val (mil)	1986 sales (mil)	profits (mil)	employ (000)	% change profits	salary + bonus
$609	$437	—	$1,046	$234	retailing	13 of 38	1.60%	$13.2	$1,828	$41.1	23.0	2%	29%
285	32	$205	522	544	health	26 of 32	0.17	1.8	443	39.1	4.7	23	NA
363	22	185	570	501	electric utilities	10 of 73	0.07	1.9	1,918	391.9	9.2	–2	8
1,689	498	907	3,094	32	beverages & tobacco	1 of 11	2.30	377.5	8,669	934.3	35.0	29	18
690	508	322	1,520	118	food distributor	5 of 24	4.87	37.4	3,872	38.4	47.0	2	50
817	14	327	1,158	200	retailing	9 of 38	0.01	0.3	10,512	301.9	133.8	5	8
764	—	—	764	356	banks	52 of 192	17.28	89.7	276	29.7	2.1	23	9
523	16	—	539	526	telecommunications	15 of 19	0.32	1.5	466	58.9	2.5	NM	NA
667	22	—	689	415	chemicals	15 of 20	0.22	8.0	2,232	177.7	10.5	52	10
991	150	—	1,141	201	chemicals	8 of 20	0.41	11.6	3,726	–472.3	39.5	NM	4
560	247	—	807	332	communications	16 of 28	53.50	1,317.5	1,215	100.2	6.4	–12	–2
510	73	—	583	491	electrical equipment	5 of 8	14.49	207.3	1,160	86.1	5.4	20	2
282	—	—	282	725	banks	165 of 192	0.33	0.5	608	–115.2	3.3	NM	–31
545	—	—	545	522	retailing	26 of 38	7.50	108.4	1,564	62.5	16.9	–11	8
431	37	—	468	594	oil	24 of 29	0.50	1.4	1,880	–99.9	2.2	NM	–21
4,077†	—	—	4,077	14	financial services	1 of 21	7.50	103.3	2,164	131.7	4.6	49	41
505	132	—	637	453	apparel and textiles	4 of 5	0.06	0.9	2,778	56.5	44.0	348	NA
823	—	3,780	4,603	9	insurance	2 of 42	2.20	236.6	8,876	795.8	27.1	89	10
798	13	367	1,178	191	chemicals	7 of 20	0.15	4.3	2,067	138.0	12.0	–2	16
295	6	1,324	1,625	107	electric utilities	1 of 73	0.32	4.6	425	117.4	1.1	6	34
371	29	—	400	653	food processor	21 of 23	0.29	0.3	1,454	–24.5	5.2	NM	–1
496	12	17	525	540	chemicals	19 of 20	1.10	18.6	621	85.7	3.8	23	41
498	—	—	498	567	banks	112 of 192	1.40	0.3	655	–39.7	0.7	NM	87
569	2	252	823	326	packaging	4 of 6	0.59	11.7	1,296	80.8	10.0	–5	–4
664	277	—	941	279	telecommunications	10 of 19	0.02	1.7	8,977	1,079.4	73.2	16	13
3,113	30	—	3,143	28	financial services	4 of 21	0.44	23.2	6,789	516.0	7.1	–7	2
437	—	331	768	351	banks	51 of 192	0.61	2.3	311	29.0	2.2	23	17
364	7	—	371	669	electric utilities	34 of 73	0.02	0.5	2,660	397.9	11.1	–3	14
1,368	71	850	2,289	58	construction	2 of 20	0.09	4.7	7,223	296.0	39.0	67	137
379	—	27	406	644	banks	138 of 192	0.14	0.5	417	32.4	2.3	43	15
320	18	64	402	650	banks	141 of 192	0.41	1.2	248	30.5	1.6	18	9
845	21	—	866	309	oil	14 of 29	0.09	1.7	6,991	208.6	33.6	42	14
512	9	—	521	545	paper	9 of 13	0.84	26.6	2,607	95.3	34.5	–6	–2
713	—	—	713	392	computers & elec	14 of 29	0.24	3.0	1,415	23.9	9.3	–52	–12
1,232	—	—	1,232	177	oil	8 of 29	0.64	44.2	15,344	172.1	46.9	–62	9
461	—	—	461	605	banks	124 of 192	0.73	2.2	1,723	–5.2	5.4	NM	–39
546	—	—	546	521	insurance	30 of 42	0.02	0.2	2,117	115.1	3.7	–3	7
450	—	—	450	614	insurance	33 of 42	0.01	0.1	2,018	146.8	4.7	17	1
455	7	—	462	603	heavy equipment	12 of 13	0.14	2.8	3,293	–395.0	39.0	NM	13
788	38	109	935	283	insurance	18 of 42	0.05	1.2	3,209	267.9	9.3	280	38
337	16	—	353	682	electric utilities	38 of 73	0.04	0.6	1,091	126.3	4.2	16	12
1,049	1,203	—	2,252	61	food processor	5 of 23	1.48	26.5	5,911	105.3	32.0	15	20
618	16	627	1,261	169	food distributor	6 of 24	0.22	1.9	7,653	39.3	15.7	–35	–13
216	—	—	216	774	electric utilities	63 of 73	0.01	§	505	–198.4	2.5	NM	12
290	115	—	405	647	banks	139 of 192	0.28	0.6	486	22.6	3.3	–37	–21

†Salary not annualized. §Less than $100,000. NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Undergraduate	Graduate degree	Professional background
Fred L Hartley	Unocal	70	48	22	Canada	U of British Columbia	—	technical
John T Hartley	Harris Corp	57	30	1	Jacksonville, FL	Auburn	—	operations
George B Harvey	Pitney Bowes	56	30	4	New Haven, CT	U of Pennsylvania	—	finance
James R Harvey	Transamerica	52	22	6	Los Angeles, CA	Princeton	MBA	finance
Stephen D Hassenfeld	Hasbro	45	23	7	Providence, RI	—	—	operations
H Grant Hathaway	Equitable Bancorp	59	32	5	New York, NY	—	—	banking
Robert J Haugh	St Paul Cos	61	38	3	Milwaukee, WI	Marquette	JD	insurance
Arthur Hauspurg	Consolidated Edison	62	18	5	New York, NY	Columbia	MS	technical
Harold V Haverty	Deluxe Check	57	33	1	Detroit, MI	—	—	operations
Philip M Hawley	Carter Hawley Hale[1]	61	29	10	Portland, OR	U of Calif at Berkeley	—	retailing
Jess T Hay	Lomas & Nettleton	56	27	22	Forney, TX	Southern Methodist	JD	legal
Raymond A Hay	LTV	58	12	4	New York, NY	Long Island	MBA	administration
Richard E Heckert	EI Du Pont	63	38	1	Oxford, OH	Miami U of Ohio	PhD	technical
Alfred J Hedden	CityFed Financial	63	35	1	Stirling, NJ	—	—	banking
Gordon E Heffern[2]	Society	63	13	4	Utica, PA	U of Virginia	—	administration
Edward L Hennessy Jr	Allied-Signal	59	8	8	Boston, MA	Fairleigh Dickinson	—	finance
John M Henske[3]	Olin	64	17	9	Omaha, NE	Yale	—	operations
Leonard G Herring	Lowe's Cos	60	31	8	Snow Hill, NC	U of North Carolina	—	finance
Leon Hess	Amerada Hess	73	41	1	New York, NY	—	—	founder
Samuel J Heyman	GAF	48	3	3	New York, NY	Yale	—	legal
Dwight H Hibbard	Cincinnati Bell	63	37	3	Hadley, MA	Amherst	MS	technical
Leo Hill[4]	Affiliated Bcshs Colo	63	23	4	Washington City, MO	Colorado Coll	—	administration
Daniel A Hillenbrand	Hillenbrand Inds	63	42	14	Batesville, IN	Purdue	—	administration
Barron Hilton	Hilton Hotels	59	32	21	Dallas, TX	—	—	administration
Jackson C Hinds	Entex	65	18	15	Brownsville, TX	U of Texas	LLD	legal
Andrew H Hines Jr	Florida Progress	64	35	14	Lake, FL	U of Florida	—	technical
Neil S Hirsch	Telerate	40	18	18	St Louis, MO	—	—	founder
Alan P Hoblitzell Jr	MNC Financial[5]	56	30	4	St Louis, MO	Princeton	—	banking
Orion L Hoch	Litton Industries	58	30	1	Canonsburg, PA	Carnegie-Mellon	PhD	technical
Lewis R Holding	First Citizens Bcshs	59	33	29	Smithfield, NC	U of North Carolina	MBA	finance
Thomas A Holmes	Ingersoll-Rand	63	37	6	Wilmington, MA	Mo School of Mines	—	operations
Harold S Hook	American General	55	16	8	Kansas City, MO	U of Missouri	MA	insurance
Robert B Horton	Standard Oil	47	1	1	England	U of St Andrews	MS	administration
James R Houghton	Corning Glass Works	51	24	4	Corning, NY	Harvard	MBA	administration
William R Howard	Piedmont Aviation	65	9	4	Wheatland, WY	George Washington	—	legal
Wesley J Howe	Becton, Dickinson	66	38	12	Jersey City, NJ	Stevens Inst of Tech	MS	administration
William R Howell	JC Penney	51	29	3	Claremore, OK	U of Oklahoma	—	retailing
Frank B Hower Jr	Liberty National	58	36	14	Louisville, KY	Centre Coll	—	banking
Charles E Hugel	Combustion Eng	58	4	3	Plainfield, NJ	Lafayette Coll	—	operations
E Douglas Huggard	Atlantic Elec	53	32	2	Wilmington, DE	U of Delaware	MME	technical

[1]Figures are for year ended 1/31/86. [2]Succeeded by Robert W Gillespie, 4/15/87. [3]Succeeded by John W Johnstone Jr, 4/30/87.
[4]Succeeded by Kent O Olin, 5/1/87. [5]Formerly Maryland National.

Compensation (000) salary + bonus	other	stock gains	total	Rank among 800 execs	Industry	Rank in industry	Stock owned %	Stock owned mkt val (mil)	1986 sales (mil)	1986 profits (mil)	1986 employ (000)	% change profits	% change salary + bonus
$931	$666	—	$1,597	109	oil	5 of 29	0.24%	$10.3	$7,482	$176.0	19.1	–46%	–10%
631	48	—	679	424	aerospace & defense	16 of 17	0.34	5.5	2,217	59.6	29.1	–26	NA
686	417	$1,205	2,308	56	computers & elec	2 of 29	0.13	3.9	1,987	167.9	29.1	12	8
808	18	50	876	303	insurance	20 of 42	0.20	4.8	6,076	267.5	15.4	83	38
1,179	625	—	1,804	88	leisure & recreation	5 of 13	9.40	114.4	1,345	99.2	7.4	0	4
530	29	522	1,081	221	banks	28 of 192	2.22	8.3	410	36.5	2.9	12	–18
720	20	134	874	305	insurance	21 of 42	0.08	1.7	3,182	159.6	10.0	69	7
480	170	—	650	443	electric utilities	5 of 73	0.01	0.5	5,198	546.4	20.9	–3	7
354	45	97	496	569	communications	25 of 28	0.44	11.3	867	121.1	13.1	16	NA
645	2	109	756	359	retailing	20 of 38	0.73	10.7	4,090	47.6	52.0	–1	0

Median compensation for the 800 executives on these pages was $706,000 in 1986, 14% above the $620,000 median in 1985. Median age: 58; median years with the company: 26.

649	76	—	725	382	financial services	17 of 21	1.74	16.0	376	54.5	3.4	31	35
694	2	—	696	410	metals	6 of 12	0.81	3.1	7,271	3,251.6	51.9	NM	–3
1,248	68	185	1,501	122	chemicals	4 of 20	0.07	18.9	26,907	1,538.0	143.6	38	NA
488	11	—	499	566	banks	111 of 192	1.32	2.5	1,218	37.5	6.0	–40	NA
676	25	807	1,508	120	banks	12 of 192	0.75	5.3	892	84.1	6.4	39	36
1,389	121	665	2,175	64	aerospace & defense	3 of 17	0.07	5.3	11,794	605.0	140.5	NM	14
803	27	54	884	299	chemicals	12 of 20	0.87	10.4	1,707	75.2	14.1	NM	32
398	7	—	405	645	retailing	33 of 38	1.20	12.5	2,283	55.1	14.1	–8	–10
200	10	—	210	778	oil	29 of 29	15.10	426.6	4,015	–219.4	8.0	NM	NA
700	5	—	705	401	chemicals	14 of 20	7.92	137.8	754	80.7	4.3	49	23
365	31	—	396	654	telecommunications	17 of 19	0.15	1.1	493	58.2	5.2	13	11
250	18	—	268	736	banks	171 of 192	0.66	0.7	265	7.1	2.3	–29	–12
753	44	—	797	341	consumer products	15 of 23	2.90	28.8	641	50.5	6.9	54	110
675	—	—	675	426	leisure & recreation	9 of 13	3.41	71.5	719	97.8	34.5	–2	9
463	56	—	519	549	natural gas	12 of 17	0.69	2.0	810	–84.7	4.6	NM	18
516	—	—	516	552	electric utilities	16 of 73	0.05	0.9	1,875	181.2	7.6	13	12
797	—	—	797	342	communications	17 of 28	59.20	1041.0	210	38.8	0.8	16	42
535	—	166	701	404	banks	67 of 192	0.04	0.3	982	91.8	5.7	26	22
921	36	—	957	276	conglomerates	12 of 20	0.18	4.2	4,521	71.1	56.9	–76	NA
248	5	—	253	753	banks	179 of 192	23.04	82.9	294	23.3	3.5	–7	6
889	175	—	1,064	225	heavy equipment	4 of 13	0.51	7.9	2,799	100.6	32.3	26	17
939	313	—	1,252	172	insurance	14 of 42	0.24	12.2	6,160	669.2	16.4	32	4
796	50	—	846	318	oil	15 of 29	0.00	0.1	9,219	–311.0	40.9	NM	NA
686	25	—	711	394	computers & elec	15 of 29	3.10	91.7	1,856	162.2	24.9	51	13
678	—	117	795	343	air transport	3 of 11	0.04	0.4	1,865	72.4	18.4	9	25
1,000	139	—	1,139	203	health	14 of 32	1.06	25.1	1,312	111.9	18.1	27	49
914	140	4	1,058	228	retailing	11 of 38	0.05	3.8	14,740	530.0	176.5	33	56
323	12	—	335	693	banks	152 of 192	0.32	0.8	227	22.7	1.6	28	–2
848	500	188	1,536	116	heavy equipment	1 of 13	0.02	0.3	2,551	50.9	24.5	NM	13
232	3	—	235	762	electric utilities	59 of 73	0.02	0.1	583	69.6	2.1	15	36

NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Undergraduate	Graduate degree	Professional background
Robert D Hunsucker	Panhandle Eastern	62	35	4	Winchester, KS	Washburn	—	finance
Samuel Huntington	New England Electric	48	10	2	Bay Shore, NY	Harvard	—	legal
Willard L Hurley	First Alabama Bcshs	60	28	3	Gainesville, GA	Huntingdon Coll	—	banking
Lee A Iacocca	Chrysler	62	8	7	Allentown, PA	Lehigh	ME	operations
Carl C Icahn[1]	Trans World Airlines	51	1	1	Queens, NY	Princeton	—	investment
Seishichi Itoh	California First Bk	52	15	2	Japan	Osaka	—	banking
Allen F Jacobson	Minn Mining & Mfg	60	39	1	Omaha, NE	Iowa State	—	operations
Jerry V Jarrett	AmeriTrust	55	13	3	Abilene, TX	U of Oklahoma	MBA	banking
Stephen J Jatras	Telex	61	22	6	McKeesport, PA	Carnegie Inst of Tech	SM	technical
George S Jenks	Sunwest Financial	60	36	5	Australia	Cornell	—	banking
Clarence E Johnson	Borg-Warner	60	34	1	Chicago, IL	Millikin	—	operations
Lloyd P Johnson	Norwest	57	2	2	Minneapolis, MN	Carleton Coll	MBA	banking
William B Johnson	IC Industries	68	21	21	Salisbury, MD	Washington Coll	—	legal
Don Johnston	JWT Group	60	36	13	Elmira, NY	Michigan State	MA	marketing
David A Jones	Humana	55	25	25	Louisville, KY	U of Louisville	JD	founder
Joseph L Jones	Armstrong World Inds	64	39	3	Sheppards, VA	Virginia Poly Inst	—	operations
Thomas V Jones	Northrop	66	33	27	Pomona, CA	Stanford	LLD	technical
Don D Jordan	Houston Industries	55	30	10	Corpus Christi, TX	U of Texas	JD	legal
William Jovanovich	Harcourt Brace	67	40	32	Louisville, CO	U of Colorado	—	administration
Jerry R Junkins	Texas Instruments	49	28	2	Fort Madison, IA	Iowa State	MS	operations
David T Kearns	Xerox	56	15	5	Rochester, NY	U of Rochester	—	sales
Charles H Keating Jr	American Continental	64	11	11	Cincinnati, OH	—	JD	legal
George M Keller	Chevron	63	39	6	Kansas City, MO	MIT	—	technical
Wendell J Kelley	Illinois Power	61	37	20	Champaign, IL	U of Illinois	—	technical
Thomas L Kelly Jr	TIE/Communications	51	16	16	New York, NY	Lehigh	—	founder
David W Kemper	Commerce Bcshs	36	8	1	Kansas City, MO	Harvard	MBA	banking
R Crosby Kemper Jr	United Missouri Bcshs	60	37	17	Kansas City, MO	—	—	banking
George D Kennedy	Intl Minerals & Chem	61	16	3	Pittsburgh, PA	Williams Coll	—	administration
John H Kennedy	Alco Health Services	57	25	1	Philadelphia, PA	La Salle Coll	—	finance
Robert D Kennedy	Union Carbide	54	32	1	Pittsburgh, PA	Cornell	MBA	operations
George F Kesel	Union National	55	26	10	Pittsburgh, PA	Williams Coll	MBA	banking
James L Ketelsen	Tenneco	56	28	8	Davenport, IA	Northwestern	—	finance
Peter D Kiernan	Norstar Bancorp	63	13	13	Albany, NY	Williams Coll	—	insurance
J Robert Killpack	National City	64	8	1	Persia, IA	Miami U of Ohio	—	finance
Robert D Kilpatrick	Cigna	63	33	11	Fairbanks, LA	U of Richmond	—	insurance
David T Kimball	General Signal	59	14	3	Williams, AZ	U of New Mexico	—	administration
William J King	Dauphin Deposit	58	7	1	Philadelphia, PA	U of Pennsylvania	—	banking
Fred M Kirby	Alleghany	67	29	19	Wilkes-Barre, PA	Lafayette Coll	—	investment
Lawrence O Kitchen	Lockheed	64	29	1	Fort Mills, SC	Foothill Coll	—	administration
Dalton L Knauss	Square D	59	18	3	Imboden, AR	Illinois Inst of Tech	—	technical
Charles F Knight	Emerson Electric	51	14	13	Lake Forest, IL	Cornell	MBA	administration
William H Knoell	Cyclops	62	20	14	Pittsburgh, PA	Carnegie-Mellon	JD	legal
Richard L Knowlton	George A Hormel	55	38	5	Austin, MN	U of Colorado	—	marketing
Robert M Kossick	Natl Community Bank	47	7	7	New Brunswick, NJ	Georgia Inst of Tech	MA	banking
Abraham Krasnoff	Pall	67	36	17	Newark, NJ	NYU	—	finance

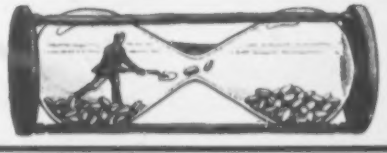
[1]Paid director's fees only.

Compensation (000) salary + bonus	other	stock gains	total	Rank among 800 execs	Industry	Rank in industry	Stock owned %	Stock owned mkt val (mil)	1986 sales (mil)	1986 profits (mil)	1986 employ (000)	% change profits	% change salary + bonus
$525	—	$38	$563	506	natural gas	11 of 17	0.24%	$3.8	$2,250	$–542.1	5.0	NM	8%
368	—	—	368	673	electric utilities	36 of 73	0.01	0.1	1,432	172.0	5.1	5%	49
429	$28	243	700	406	banks	69 of 192	0.25	1.8	401	54.1	3.7	6	4
1,702	9,317	9,559	20,578	1	automotive	1 of 18	1.01	83.7	22,586	1,403.6	115.1	–14	5
30	—	—	30	796	air transport	11 of 11	73.00	555.7	3,145	–106.3	27.4	NM	NA
244	47	—	291	722	banks	164 of 192	0.03	0.1	561	30.7	4.0	20	12
777	—	—	777	349	conglomerates	16 of 20	0.02	2.6	8,602	779.0	83.7	17	NA
536	22	—	558	511	banks	94 of 192	‡	§	1,062	88.5	5.0	10	6
465	1	550	1,016	245	computers & elec	10 of 29	0.33	3.8	695	67.5	7.0	27	16
338	16	—	354	681	banks	146 of 192	0.16	0.5	262	28.3	2.0	16	1
670	7	889	1,566	112	automotive	6 of 18	0.25	10.1	3,379	206.3	82.6	16	NA
813	9	—	822	327	banks	47 of 192	0.29	3.3	2,420	121.7	15.4	13	70
1,149	363	—	1,512	119	conglomerates	5 of 20	0.20	7.0	4,222	–136.7	38.4	NM	9
706	7	—	713	393	communications	20 of 28	0.79	2.2	641	18.5	10.1	214	–5
539	87	—	626	464	health	24 of 32	3.00	69.8	2,601	54.5	44.6	–75	–14
545	1	98	644	448	construction	13 of 20	0.07	1.2	1,920	122.4	21.7	21	23
1,114	71	—	1,185	188	aerospace & defense	8 of 17	2.28	47.4	5,608	41.2	46.9	–81	–7
565	14	—	579	495	electric utilities	9 of 73	0.03	1.0	3,536	424.9	12.2	–9	14
868	40	—	908	293	communications	12 of 28	1.20	16.2	1,300	70.5	13.4	40	38
500	2	114	616	473	computers & elec	19 of 29	0.12	5.7	4,974	39.9	77.6	NM	33
875	225	693	1,793	90	indus & office svcs	5 of 10	0.13	10.0	12,919	464.5	111.5	–2	10
1,774	—	—	1,774	91	banks	7 of 192	20.2	35.2	852	30.8	1.4	–28	29
1,189	183	—	1,372	142	oil	7 of 29	0.02	3.0	24,352	715.4	56.0	–54	3
325	1	—	326	702	electric utilities	44 of 73	0.02	0.3	1,184	292.7	4.6	22	12
200	—	—	200	784	telecommunications	19 of 19	9.80	12.3	298	–77.9	1.8	NM	0
304	10	—	314	711	banks	161 of 192	1.50	5.6	471	39.2	4.0	3	NA
415	29	119	563	503	banks	92 of 192	17.22	55.9	272	31.1	2.3	3	21
826	—	—	826	323	chemicals	13 of 20	0.31	2.9	1,178	–217.0	10.0	NM	18
308	—	—	308	715	health	31 of 32	0.23	0.6	1,286	15.6	2.1	20	NA
767	11	212	990	260	chemicals	9 of 20	0.04	1.4	6,343	699.0	51.2	NM	1
198	9	22	229	768	banks	188 of 192	0.21	0.7	293	27.2	2.0	31	10
942	44	—	986	261	conglomerates	11 of 20	‡	0.3	14,529	–39.0	106.0	NM	12
579	183	—	762	358	banks	53 of 192	0.07	0.8	983	104.8	7.6	13	9
593	10	529	1,132	207	banks	22 of 192	0.20	2.6	1,326	135.0	9.0	25	NA
1,217	31	—	1,248	173	insurance	15 of 42	0.04	2.1	17,064	691.7	49.7	NM	62
610	8	27	645	447	computers & elec	17 of 29	0.37	4.8	1,583	74.6	21.2	51	1
234	—	—	234	764	banks	186 of 192	0.05	0.2	252	29.4	1.5	21	NA
764	502	—	1,266	167	financial services	14 of 21	12.50	74.9	623	79.5	5.4	–26	12
720	17	—	737	375	aerospace & defense	15 of 17	0.12	3.5	10,273	408.0	92.4	2	NA
662	—	—	662	434	electrical equipment	4 of 8	0.70	10.6	1,403	98.9	21.1	13	16
1,278	2,267	—	3,545	20	electrical equipment	2 of 8	0.13	10.0	4,953	408.9	60.7	2	19
615	45	92	752	362	metals	4 of 12	2.20	8.3	1,441	21.3	9.0	–13	10
698	12	—	710	396	food processor	17 of 23	0.08	0.6	1,920	34.6	6.5	–12	22
526	575	—	1,101	213	banks	24 of 192	0.61	15.8	206	28.2	1.6	26	18
522	26	—	548	518	heavy equipment	10 of 13	0.50	5.7	332	40.9	5.0	19	–6

‡Less than 0.01%. §Less than $100,000. NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Under-graduate	Graduate degree	Professional background
John H Krehbiel Jr	Molex	49	30	30	Chicago, IL	Lake Forest College	—	administration
Daniel J Krumm	Maytag	60	34	13	Sioux City, IA	U of Iowa	—	marketing
Hal C Kuehl	First Wisconsin	64	39	9	Davenport, IA	U of Wisconsin	MBA	banking
Ronald L Kuehn Jr	Sonat	52	16	3	Brooklyn, NY	Fordham	—	legal
William G Kuhns[1]	General Public Utils	65	31	20	Milwaukee, WI	U of Wisconsin	JD	finance
William R Laidig	Gt Northern Nekoosa	60	37	2	Sterling, IL	Marquette	—	production
Harvey H Lamm	Subaru of America	51	19	12	Philadelphia, PA	—	—	sales
William E LaMothe	Kellogg	60	36	8	Brooklyn, NY	Fordham	—	marketing
Joseph L Lanier Jr	West Point-Pepperell	55	30	11	Lanett, AL	Washington & Lee	—	operations
Donald E Lasater	Mercantile Bancorp	61	28	16	St Louis, MO	U of Southern Calif	—	legal
John P LaWare	Shawmut	59	8	6	Columbus, WI	Harvard	MA	banking
Kenneth L Lay	Enron	45	3	3	Tyrone, MO	U of Missouri	PhD	technical
Charles Lazarus	Toys "R" Us	63	31	31	Washington, DC	—	—	founder
William S Lee	Duke Power	58	32	5	Charlotte, NC	Princeton	—	technical
John N Lemasters[2]	Contel	53	3	2	Akron, OH	Georgia Inst of Tech	—	technical
Donald D Lennox[3]	Navistar Intl	68	7	4	Pittsburgh, PA	U of Pittsburgh	—	operations
Andrew M Lewis[4]	Best Products	41	18	3	Washington, DC	Harvard	—	retailing
John C Lewis	Amdahl	51	9	4	Livingston, MT	Fresno State	—	finance
Peter B Lewis	Progressive	53	33	7	Cleveland, OH	Princeton	—	insurance
Leonard Lieberman	Supermarkets General	58	23	4	Elizabeth, NJ	Yale	JD	legal
J Hugh Liedtke	Pennzoil	65	31	24	Tulsa, OK	U of Texas	—	legal
John M Lillie	Lucky Stores	50	8	2	Chicago, IL	Stanford	MBA	operations
James G Lindley	South Carolina Natl	56	8	6	Greensboro, NC	U of North Carolina	MBA	banking
Carl H Lindner	United Brands	68	2	2	Dayton, OH	—	—	finance
Philip E Lippincott	Scott Paper	51	28	5	Camden, NJ	Dartmouth Coll	MBA	operations
Charles S Locke	Morton Thiokol	58	11	7	Laurel, MS	U of Mississippi	MS	finance
Robert M Long	Longs Drug Stores	49	26	10	Oakland, CA	Claremont Men's Coll	—	retailing
Wilton Looney	Genuine Parts	68	48	25	Vanna, GA	—	—	operations
Francisco A Lorenzo	Texas Air	47	15	7	New York, NY	Columbia	MBA	finance
Vernon R Loucks Jr	Baxter Travenol Labs	52	21	7	Evanston, IL	Yale	—	marketing



Robert Louis-Dreyfus	IMS International	41	14	5	France	Ecole des Cadres	MBA	marketing
Howard M Love	National Intergroup	57	31	7	Pittsburgh, PA	Colgate	MBA	operations
L Vincent Lowe Jr	Branch Corp	51	25	5	Chadbourn, NC	U of North Carolina	—	banking
Gordon C Luce	Gt Am First Savings	61	17	17	San Diego, CA	Stanford	MBA	administration
Robert P Luciano	Schering-Plough	53	8	5	New York, NY	City Coll New York	JD	legal
Joseph E Luecke	Kemper	60	35	8	Philadelphia, PA	La Salle Coll	—	insurance
Frank W Luerssen	Inland Steel Inds	59	35	4	Reading, PA	Pennsylvania State	MS	technical
David L Luke III	Westvaco	63	35	23	Tyrone, PA	Yale	—	finance
Edwin A Lupberger	Middle South Utils	51	8	1	Atlanta, GA	Davidson Coll	MBA	finance
H William Lurton	Jostens	57	32	15	Greenwich, CT	Principia	—	administration

[1]Succeeded by John F O'Leary, 5/7/87. [2]Succeeded by Donald W Weber, 4/30/87. [3]Succeeded by James C Cotting, 4/1/87. [4]Succeeded by Robert ER Huntley, 2/27/87.

Compensation (000) salary + bonus	other	stock gains	total	Rank among 800 execs	Industry	Rank in industry	Stock owned %	Stock owned mkt val (mil)	1986 sales (mil)	1986 profits (mil)	1986 employ (000)	% change profits	% change salary + bonus
$211	$31	—	$242	759	computers & elec	28 of 29	12.70%	$126.4	$292	$32.0	4.3	4%	–4%
633	—	$134	767	354	consumer products	16 of 23	0.14	3.4	1,724	116.9	12.2	63	35
385	20	463	868	308	banks	43 of 192	0.40	1.8	667	52.7	5.8	33	18
591	64	—	655	437	natural gas	10 of 17	0.18	2.4	1,692	–304.3	5.8	NM	6
388	5	—	393	657	electric utilities	31 of 73	0.01	0.2	2,787	205.2	13.8	113	14
468	38	456	962	274	paper	6 of 13	0.12	2.8	2,039	85.3	14.0	85	57
603	30	—	633	454	automotive	14 of 18	0.53	4.0	2,017	94.8	0.9	14	8
950	35	—	985	264	food processor	14 of 23	0.16	11.5	3,341	318.9	17.2	13	17
656	—	—	656	436	consumer products	19 of 23	0.40	3.9	1,813	54.5	28.5	92	82
528	16	—	544	523	banks	101 of 192	0.49	2.0	660	55.3	4.5	6	8
650	1	—	651	441	banks	74 of 192	0.07	0.5	918	78.6	6.1	37	2
651	80	—	731	378	natural gas	7 of 17	0.20	3.5	7,591	57.7	9.6	–72	–12
2,990	30	—	3,020	33	retailing	2 of 38	1.70	75.9	2,445	152.2	27.1	27	24
314	88	—	402	649	electric utilities	28 of 73	0.04	1.7	3,401	467.8	20.4	7	16
687	—	—	687	417	telecommunications	12 of 19	0.02	0.4	3,074	232.9	22.9	–3	4
525	50	—	575	498	automotive	15 of 18	0.07	1.2	3,374	–8.4	15.9	NM	11
445	10	—	455	609	retailing	31 of 38	0.80	2.1	2,142	–23.0	18.0	NM	11
821	10	—	831	320	computers & elec	11 of 29	0.36	7.0	966	39.3	7.0	61	29
671	104	—	775	350	insurance	24 of 42	13.40	112.6	683	64.7	4.0	83	46
757	11	—	768	352	food distributor	12 of 24	0.28	4.9	5,508	60.9	52.5	–4	12
698	1,985	—	2,683	43	oil	2 of 29	0.94	30.9	1,782	68.5	7.3	–39	5
518	—	270	788	346	food distributor	11 of 24	0.16	1.8	6,441	233.3	54.5	170	31
379	54	—	433	627	banks	131 of 192	0.13	0.6	465	43.8	4.1	38	12
699	3	—	702	403	food processor	18 of 23	0.01	0.1	3,307	53.8	39.0	67	170
693	—	134	827	321	consumer products	13 of 23	0.14	3.7	3,437	186.5	23.6	–7	4
923	15	—	938	282	chemicals	10 of 20	0.22	4.3	1,950	132.9	17.9	–33	4
286	9	122	417	637	retailing	32 of 38	9.50	66.4	1,635	38.6	11.5	2	–5
510	—	—	510	556	retailing	29 of 38	0.97	26.5	2,394	121.6	13.6	–4	–9
474	11	—	485	580	air transport	10 of 11	3.60	55.8	4,407	42.2	65.0	–13	3
908	—	348	1,256	171	health	11 of 32	0.08	4.5	5,543	502.0	61.9	266	14

Chrysler Chairman Lee Iacocca, 62, earned $20.6 million last year, giving him the highest "age-wage ratio"—$331,930 of income for each year of age.

475	—	—	475	589	communications	26 of 28	1.80	19.6	376	38.6	4.6	33	23
525*	—	—	525	539	oil	23 of 29	0.75	2.3	2,370	–15.2	5.8	NM	–5
356	11	—	367	675	banks	145 of 192	0.91	2.6	304	28.0	2.6	21	36
603	10	1,221	1,834	83	banks	6 of 192	1.70	7.2	1,257	93.7	2.8	105	22
908	51	—	959	275	health	17 of 32	0.08	4.5	2,399	265.8	24.1	38	24
301	—	—	301	720	insurance	39 of 42	0.13	2.6	3,330	201.1	16.4	116	57
459	17	—	476	588	metals	10 of 12	0.23	1.9	3,173	19.3	22.7	NM	9
685	31	1,393	2,109	67	paper	2 of 13	1.20	22.5	1,836	107.3	15.1	5	2
343	8	—	351	685	electric utilities	39 of 73	‡	§	3,486	451.3	13.6	13	80
651	17	—	668	430	retailing	23 of 38	0.90	6.6	582	40.3	8.8	6	21

*Annualized salary. ‡Less than 0.01%. §Less than $100,000. NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Undergraduate	Graduate degree	Professional background
James T Lynn	Aetna Life & Cas	60	9	2	Cleveland, OH	Case Western Reserve	—	legal
John W Lynn	FW Woolworth	66	45	4	Brooklyn, NY	—	—	operations
Fred W Lyons Jr	Marion Laboratories	52	19	3	Youngstown, OH	U of Michigan	MBA	administration
R James Macaleer	Shared Medical Sys	53	18	18	Elizabeth, NJ	Princeton	—	founder
Jack A MacAllister	US West	59	37	11	Humeston, IA	U of Iowa	—	administration
John E Mack III	Central Hudson G&E	53	28	1	Poughkeepsie, NY	Siena Coll	MBA	administration
Kenneth A Macke	Dayton-Hudson	48	25	3	Templeton, IA	Drake	—	retailing
Richard B Madden	Potlatch	58	16	16	Orange, NJ	Princeton	JD	finance
Richard J Mahoney	Monsanto	53	24	3	Springfield, MA	U of Massachusetts	—	marketing
Cornell C Maier	Kaiser Alum & Chem	62	37	14	Herreid, SD	U of Calif at Berkeley	—	operations
Bruce Maines	Safeco	60	37	1	Tacoma, WA	U of Washington	JD	legal
John C Malone	Tele-Communications	46	14	14	Milford, CT	Yale	PhD	administration
Wallace D Malone Jr	Southtrust	50	28	6	Dothan, AL	U of Alabama	MBA	banking
Robert H Malott	FMC	60	34	15	Boston, MA	U of Kansas	MBA	operations
Frank J Manaut	Bancorp Hawaii	63	36	6	Alhambra, CA	UCLA	—	banking
Frederick J Mancheski	Echlin	60	24	18	Stevens Point, WI	U of Wisconsin	—	operations
Donald R Mandich	Comerica	61	36	6	West Allis, WI	U of Michigan	MBA	banking
Marshall Manley	Home Group	47	2	1	Newark, NJ	Brooklyn College	JD	legal
Richard A Manoogian	Masco	50	29	19	Long Branch, NJ	Yale	—	administration
Alfred R Manville	Fischbach	70	14	7	Carbondale, PA	Rutgers	—	technical
Jim P Manzi	Lotus Development	35	4	1	New York, NY	Colgate	MA	journalism
David I Margolis	Colt Industries	57	24	3	New York, NY	City Coll New York	MBA	finance
Reuben Mark	Colgate-Palmolive	48	24	3	Jersey City, NJ	Middlebury Coll	MBA	marketing
J Willard Marriott Jr	Marriott	55	31	14	Washington, DC	U of Utah	—	administration
Donald B Marron	PaineWebber Group	52	28	7	Goshen, NY	—	—	investment
Ray Martin	Coast S&L Assoc	51	28	3	Pima County, AZ	—	—	banking
Alfred W Martinelli[1]	Penn Central	59	27	5	Hackensack, NJ	Seton Hall	—	finance
Emil P Martini Jr	Bergen Brunswig	58	35	18	Teaneck, NJ	Purdue	—	technical
John P Mascotte	Continental Corp	48	6	4	Fort Wayne, IN	St Joseph's	—	insurance
David O Maxwell	Fedl Natl Mortgage	57	6	6	Philadelphia, PA	Yale	—	legal
Hamish Maxwell	Philip Morris Cos	60	33	2	England	Cambridge	—	marketing
Robert H McCaffrey	CR Bard	60	11	11	Syracuse, NY	Syracuse	—	sales
Warren E McCain	Albertson's	61	35	10	Logan, KS	Oregon State	—	operations
Donald W McCarthy[2]	No States Power	65	39	10	Minneapolis, MN	US Naval Acad	—	operations
Walter J McCarthy Jr	Detroit Edison	62	23	5	New York, NY	Cornell	—	operations
Robert McClements Jr	Sun Company	58	21	1	Philadelphia, PA	Drexel	—	technical
Hugh L McColl Jr	NCNB	52	27	3	Bennettsville, SC	U of North Carolina	—	banking
William C McCord	Enserch	59	38	16	San Antonio, TX	Texas A&M	—	technical
Donald F McCormick	Howard Savings Bank	56	13	4	East Orange, NJ	U of North Carolina	—	banking
William T McCormick Jr	CMS Energy[3]	42	1	1	Washington, DC	Cornell	PhD	technical
Charles W McCoy	Premier Bancorp[4]	67	27	26	Marietta, OH	Marietta Coll	MBA	banking
John B McCoy	Banc One	44	20	3	Columbus, OH	Williams Coll	MBA	banking
Howard C McCrady	Valley National	55	12	4	Pittsburgh, PA	U of Southern Calif	—	finance
Samuel A McCullough	Meridian Bancorp	48	11	9	Pittsburgh, PA	U of Pittsburgh	—	banking
Marshall McDonald	FPL Group	69	15	2	Memphis, TN	U of Florida	—	administration

[1]Succeeded by Carl H Lindner, 3/30/87. [2]Succeeded by James J Howard, 2/1/87. [3]Formerly Consumers Power. [4]Formerly Louisiana Bancshares.

Compensation (000)				Rank among 800 execs	Industry	Rank in industry	Stock owned		1986			% change	
salary + bonus	other	stock gains	total				%	mkt val (mil)	sales (mil)	profits (mil)	employ (000)	profits	salary + bonus
$799	$32	$1,196	$2,027	72	insurance	6 of 42	0.05%	$3.1	$20,483	$865.2	43.1	133%	33%
1,140	905	171	2,216	62	retailing	3 of 38	0.22	7.2	6,501	214.0	120.0	21	16
742	1	576	1,319	153	health	10 of 32	0.29	15.6	399	55.0	2.4	52	31
426	—	—	426	632	health	27 of 32	4.00	31.1	375	32.0	3.5	–23	28
686	53	—	739	374	telecommunications	11 of 19	0.01	0.6	8,308	924.3	69.8	0	12
118	3	—	121	794	electric utilities	73 of 73	0.03	0.1	439	64.9	1.3	9	NA
951	362	—	1,313	155	retailing	8 of 38	0.13	5.3	9,259	342.3	126.0	21	–4
843	12	1,532	2,387	52	paper	1 of 13	1.00	9.2	976	69.9	7.9	85	47
1,041	153	503	1,697	98	chemicals	3 of 20	0.05	3.6	6,879	433.0	53.9	NM	108
408	—	—	408	643	metals	12 of 12	0.30	2.4	2,222	–32.7	13.1	NM	0
382	63	300	745	368	insurance	26 of 42	0.09	1.7	2,399	228.7	10.0	34	NA
350	20	—	370	672	communications	27 of 28	6.25	177.7	646	94.8	9.8	500+	7
474	63	—	537	530	banks	102 of 192	1.07	5.9	456	53.7	3.4	23	7
937	489	—	1,426	133	aerospace & defense	5 of 17	1.70	25.6	3,003	152.5	26.5	–22	12
417	21	—	438	624	banks	130 of 192	0.89	4.4	460	46.2	3.3	20	19
799	—	3,040	3,839	18	automotive	4 of 18	2.08	21.0	813	48.8	10.9	7	1
581	26	101	708	397	banks	64 of 192	0.58	3.5	937	61.9	6.1	17	35
1,593	232	—	1,825	85	insurance	8 of 42	0.33	2.5	2,194	145.1	6.5	NM	NA
920	3,514	788	5,222	8	construction	1 of 20	3.00	140.3	1,452	203.4	21.0	24	9
685	—	—	685	418	construction	12 of 20	2.77	1.8	1,039	–6.5	13.0	NM	30
795	—	1,340	2,135	65	indus & office svcs	2 of 10	3.60	52.4	283	38.2	1.4	–21	NA
1,107	70	—	1,177	193	automotive	10 of 18	35.10	151.2	1,616	89.3	19.1	–35	–3
852	—	—	852	312	consumer products	11 of 23	0.18	5.3	4,985	177.5	37.9	62	14
893	—	—	893	297	leisure & recreation	7 of 13	4.20	215.5	5,267	191.7	17.5	15	12
2,724	82	453	3,259	25	financial services	2 of 21	1.96	19.0	2,385	71.6	11.7	112	126
403	—	—	403	648	banks	140 of 192	0.55	1.2	882	50.4	1.8	500+	7
965	32	—	997	253	conglomerates	9 of 20	NA	NA	2,388	154.2	27.7	39	29
718	—	—	718	390	health	20 of 32	0.13	0.4	3,066	20.7	4.1	–14	5
465	21	135	621	469	insurance	28 of 42	0.03	0.7	6,002	449.6	17.1	500+	–8
639	326	315	1,280	162	financial services	12 of 21	0.01	0.4	10,540	183.0	2.2	396	28
1,328	—	1,110	2,438	49	beverages & tobacco	2 of 11	0.10	19.9	20,681	1,478.0	112.5	18	25
628	31	1,365	2,024	73	health	5 of 32	0.42	5.6	548	51.2	6.8	22	0
697	22	—	719	385	food distributor	13 of 24	0.53	9.2	5,380	100.2	38.5	18	6
525	6	—	531	535	electric utilities	14 of 73	0.01	0.2	1,782	206.9	7.5	5	27
375	75	—	450	613	electric utilities	24 of 73	0.01	0.2	2,869	477.1	11.0	9	–3
786	15	198	999	252	oil	11 of 29	0.06	4.2	9,376	385.0	30.7	–27	6
640	176	—	816	330	banks	49 of 192	0.16	3.0	2,295	198.8	11.0	21	7
654	98	52	804	336	natural gas	5 of 17	0.21	2.7	2,723	18.2	18.3	NM	–3
383	42	—	425	633	banks	133 of 192	0.56	1.6	380	24.0	1.5	50	16
400	—	—	400	652	electric utilities	29 of 73	0.03	0.5	3,108	177.8	10.9	NM	25
219	23	—	242	760	banks	185 of 192	1.60	3.4	478	–6.3	3.3	NM	10
622	—	—	622	466	banks	82 of 192	0.15	3.4	1,847	199.8	9.8	53	26
442	1	—	443	618	banks	128 of 192	0.07	0.4	1,063	65.2	7.3	–15	1
532	22	164	718	386	banks	62 of 192	0.28	1.7	735	69.1	5.2	20	23
447	96	—	543	524	electric utilities	13 of 73	0.03	1.2	5,429	365.4	17.9	–2	29

NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Under-graduate	Graduate degree	Professional background
Horace G McDonell Jr	Perkin-Elmer	58	35	2	New York, NY	Adelphi Coll	—	technical
Sanford N McDonnell	McDonnell Douglas	64	38	15	Little Rock, AR	Princeton	MS	technical
Gerald C McDonough	Leaseway Transport	59	7	4	Cleveland, OH	Case Western Reserve	—	finance
Jerome R McDougal Jr	Apple Bank	59	6	1	Lynnbrook, NY	—	—	finance
John F McGillicuddy	Mfrs Hanover	56	28	8	Harrison, NY	Princeton	—	banking
R Gordon McGovern	Campbell Soup	60	31	6	Norristown, PA	Brown	MBA	marketing
William G McGowan[1]	MCI Communications	59	18	18	Ashley, PA	Kings Coll	MBA	founder
John W McKinley[2]	Texaco	67	46	6	Tuscaloosa, AL	U of Alabama	MS	technical
Thomas F McLarty III	Arkla	41	3	2	Prescott, AR	U of Arkansas	—	administration
John W McLean[3]	Banks of Mid-America	65	19	19	Okmulgee, OK	Oklahoma State	—	banking
Charles S McNeer	Wisconsin Energy	61	37	11	Gilbert, WV	Northwestern	—	technical
Frank A McPherson	Kerr-McGee	54	30	4	Stilwell, OK	Oklahoma State	—	operations
Gerald H McQuarrie	Downey S&L	66	29	8	Minersville, UT	Compton Coll	—	founder
George W Mead	Consolidated Papers	59	34	21	Milwaukee, WI	Yale	MS	operations
James W Meadlock	Intergraph	53	18	18	Taylorsville, NC	North Carolina State	—	founder
Charles S Mechem Jr	Taft Broadcasting	56	20	20	Nelsonville, OH	Miami U of Ohio	—	legal
John G Medlin Jr	First Wachovia	53	28	10	Benson, NC	U North Carolina	—	banking
Robert E Mercer	Goodyear	63	40	4	Elizabeth, NJ	Yale	—	administration
Harry A Merlo	Louisiana-Pacific	62	37	13	Stirling City, CA	U of Calif at Berkeley	—	marketing
Richard T Merrill	Commerce Clearing	59	34	7	Chicago, IL	U of Missouri	—	administration
Ruben F Mettler	TRW	63	32	9	Shafter, CA	Calif Inst of Tech	PhD	technical
Martin C Miller	Hibernia	53	13	13		William & Mary	MBA	banking
A Stevens Miles	First Kentucky Natl	57	33	12	Louisville, KY	Washington & Lee	—	banking
Charles D Miller	Avery International	59	22	9	Hartford, CT	Johns Hopkins	—	marketing
Elliot C Miller	Society For Savings	53	15	8	Cambridge, MA	Harvard	JD	legal
Paul A Miller	Pacific Lighting	62	38	18	San Francisco, CA	Harvard	—	finance
Thomas M Miller	Indiana National	57	32	6	Corydon, IN	Indiana	—	banking
Gerald B Mitchell	Dana	59	43	7	Canada	—	—	operations
Colman M Mockler Jr	Gill	57	29	12	St Louis, MO	Harvard	MBA	finance
James R Moffett	Freeport-McMoRan	48	17	2	Houma, LA	U of Texas	MS	technical
Walter H Monteith Jr	So N England Telecom	56	32	3	Framingham, MA	Amherst Coll	—	sales
James F Montgomery	Gt Western Financial	52	11	8	Topeka, KS	UCLA	—	finance
Gordon E Moore[4]	Intel	58	18	12	San Francisco, CA	U of Calif	PhD	founder
John T Morgan	American Savings	57	14	7	New York, NY	U of Minnesota	MBA	banking
Charles W Moritz	Dun & Bradstreet	50	26	2	Washington, DC	Yale	—	marketing
Richard M Morrow	Amoco	61	39	3	Wheeling, WV	Ohio State	—	technical
Jack Moseley	USF&G	56	33	7	Birmingham, AL	Auburn	—	insurance
Robert E Mullene Jr	Bally Manufacturing	55	14	7	Cincinnati, OH	Georgetown	MBA	administration
Ray B Mundt	Alco Standard	58	17	7	Appleton, WI	U of Wisconsin	—	operations
J Richard Munro	Time Inc	56	29	6	Syracuse, NY	Colgate	—	operations

[1]Acting CEO V Orville Right, 4/15/87. [2]Succeeded by James W Kinnear, 1/1/87. [3]Succeeded by K Gordon Greer, 2/18/87. [4]Succeeded by Andrew S Grove, 4/23/87.

Compensation (000) salary + bonus	other	stock gains	total	Rank among 800 execs	Industry	Rank in industry	Stock owned %	Stock owned mkt val (mil)	1986 sales (mil)	1986 profits (mil)	1986 employ (000)	% change profits	% change salary + bonus
$516	—	$33	$549	517	computers & elec	20 of 29	0.22%	$3.8	$1,291	$72.6	15.0	–12%	2%
1,034	—	248	1,282	160	aerospace & defense	6 of 17	0.18	5.1	12,661	277.5	101.4	–20	–1
622	—	—	622	467	surface transport	12 of 13	0.99	4.6	1,318	50.8	20.0	–19	48
251	$23	—	274	730	banks	168 of 192	0.50	0.7	182	13.8	0.6	62	NA
910	—	—	910	291	banks	38 of 192	0.18	3.3	7,794	410.7	31.2	1	–3
646	11	1,909	2,566	48	food processor	3 of 23	0.01	0.5	4,379	223.2	45.8	13	–1
671	—	—	671	429	telecommunications	14 of 19	1.60	26.2	3,592	–431.0	13.0	NM	4
1,355	567	—	1,922	76	oil	4 of 29	0.04	3.0	31,613	725.0	53.2	–41	15
363	46	—	409	642	natural gas	15 of 17	0.23	3.2	1,000	64.2	3.5	8	–7
287	16	—	303	719	banks	163 of 192	0.01	§	309	–49.5	1.8	NM	–15

Boone Pickens, who made $9.88 million in 1985, is not on this year's list. Mesa Petroleum, after restructuring, failed to make The Forbes 500s lists for 1986.

351	10	—	361	678	electric utilities	37 of 73	0.04	0.6	1,411	157.7	6.2	–6	14
365	10	—	375	666	oil	26 of 29	0.11	1.7	2,535	–292.0	7.9	NM	–16
334	—	—	334	695	banks	153 of 192	1.20	2.5	306	57.2	1.0	7	42
351	6	—	357	679	paper	13 of 13	0.14	1.9	653	87.5	4.4	–18	9
175	12	—	187	788	computers & elec	29 of 29	5.40	70.1	606	70.4	5.7	4	0
489	1	90	580	494	communications	23 of 28	0.90	12.3	473	19.4	2.8	–60	2
631	34	310	975	268	banks	36 of 192	0.09	2.0	1,730	193.8	12.7	3	13
939	—	2,744	3,683	19	automotive	5 of 18	0.02	0.9	9,103	124.1	121.6	–70	–5
550	245	—	795	344	construction	8 of 20	1.10	14.3	1,506	64.9	12.5	155	0
336	28	—	364	677	communications	28 of 28	0.09	1.0	505	47.6	6.2	6	13
985	118	1,285	2,388	51	aerospace & defense	2 of 17	0.46	14.3	6,036	217.7	85.9	NM	8
961	13	75	1,049	230	banks	29 of 192	0.79	3.6	364	35.3	1.9	45	51
490	16	373	879	302	banks	42 of 192	0.90	4.8	478	50.1	4.4	20	29
746	32	160	938	281	packaging	2 of 6	1.92	19.2	1,131	48.6	10.3	1	17
239	80	—	319	707	banks	159 of 192	0.63	1.6	316	16.0	1.0	12	12
510	230	1,155	1,895	79	natural gas	1 of 17	0.07	2.3	5,324	83.6	26.6	–46	–24
450	12	—	462	602	banks	123 of 192	1.01	4.5	458	43.0	2.9	34	4
853	132	193	1,178	192	automotive	9 of 18	0.22	5.2	3,695	85.9	37.6	–48	–9
803	32	922	1,757	92	consumer products	3 of 23	0.31	9.7	2,818	15.8	31.8	–90	7
626	19	—	645	446	chemicals	16 of 20	1.00	15.6	630	25.7	2.1	–77	5
378	10	—	388	661	telecommunications	18 of 19	0.01	0.2	1,433	139.2	13.7	16	9
1,081	—	—	1,081	222	banks	27 of 192	0.29	6.6	3,773	300.8	10.3	49	5
369	1	—	370	670	computers & elec	25 of 29	7.20	398.5	1,265	–183.3	19.8	NM	4
407	23	—	430	629	banks	132 of 192	0.62	0.6	552	18.9	1.1	34	15
885	294	1,151	2,330	55	communications	2 of 28	0.10	9.2	3,114	340.0	59.1	15	11
1,175	70	1,044	2,289	59	oil	3 of 29	0.05	10.0	18,281	747.0	48.2	–52	6
1,135	75	215	1,425	134	insurance	10 of 42	0.12	3.1	4,337	275.0	9.4	NM	170
1,679	194	—	1,873	81	leisure & recreation	4 of 13	0.50	2.8	1,593	23.7	42.5	–7	39
599	28	—	627	460	conglomerates	17 of 20	0.45	5.0	4,323	57.0	18.6	11	–19
799	821	571	2,191	63	communications	3 of 28	0.25	13.2	3,762	376.4	20.5	88	11

§Less than $100,000. NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Undergraduate	Graduate degree	Professional background
Frank W Munson[1]	General Re	59	33	3	Rockville Ctr, NY	Dartmouth Coll	—	insurance
K Rupert Murdoch	News Corp Ltd	56	34	8	Australia	—	MA	journalism
David H Murdock	Castle & Cooke	64	5	1	Kansas City, MO	—	—	investment
john J Murphy	Dresser Industries	55	35	3	Olean, NY	Rochester Inst Tech	MBA	operations
Thomas S Murphy	Capital Cities/ABC	62	32	20	Brooklyn, NY	Cornell	MBA	administration
Allen E Murray	Mobil	58	34	1	New York, NY	NYU	—	finance
J Terrence Murray	Fleet Financial	47	24	5	Woonsocket, RI	Harvard	—	finance
Robert J Mylod	Michigan National	47	2	2	Brooklyn, NY	St John's	—	banking
Daniel R Nelson	Moore Financial	49	3	1	Spokane, WA	Washington State	—	banking
John J Nevin	Firestone	60	7	6	Jersey City, NJ	U of Calif at Berkeley	MBA	marketing
John D Nichols	Illinois Tool Works	56	7	5	China	Harvard	MBA	operations
Will F Nicholson Jr	Colorado Natl Bkshs	58	17	1	Colorado Spgs, CO	MIT	MBA	banking
Donald E Nordlund	Staley Continental	65	31	14	Stromsburg, NE	Midland Coll	JD	administration
Bruce A Nordstrom[2]	Nordstrom	54	32	16		U of Washington	—	retailing
Barry C O'Brien	Iowa-Illinois G&E	60	27	3	Pittsburgh, PA	Northwestern	—	finance
Raymond F O'Brien	Consol Freightways	65	29	10	Atchison, KS	U of Missouri	—	finance
Robert B O'Brien	Carteret Savings	52	12	12	New York, NY	Lehigh	—	banking
Thomas H O'Brien	PNC Financial	50	24	2	Pittsburgh, PA	U of Notre Dame	MBA	banking
William J O'Brien	Hanover Insurance	54	16	7	Yonkers, NY	Fordham	—	insurance
James J O'Connor	Commonwealth Ed	50	23	7	Chicago, IL	Holy Cross Coll	JD	administration
Robert J O'Connor	Idaho Power	59	34	1	Uniontown, WA	U of Idaho	—	technical
Anthony J F O'Reilly	HJ Heinz	51	18	7	Ireland	U of Dublin	PhD	legal
Gordon N Oakes Jr	Monarch Capital	46	4	4	North Adams, MA	U of Massachusetts	—	banking
Kenneth H Olsen	Digital Equipment	61	29	29	Bridgeport, CT	MIT	MS	founder
James E Olson	American Tel & Tel	61	43	1	Devils Lake, ND	U of North Dakota	—	administration
John D Ong	BF Goodrich	53	26	7	Ulrichsville, OH	Ohio State	MA	legal
Paul F Oreffice	Dow Chemical	59	34	9	Italy	Purdue	—	finance
Elisabeth C Ortenberg	Liz Claiborne	58	11	11	Belgium	—	—	founder
Thomas J Owen	Perpetual Savings	52	11	9	Washington, DC	Williams Coll	—	banking
Stanley C Pace	General Dynamics	65	2	1	Waterview, KY	US Military Acad	MS	administration
Thomas A Page	San Diego Gas & Elec	54	9	5	Niagara Falls, NY	Purdue	MS	technical
Alberto M Paracchini	BanPonce	55	30	4	Puerto Rico	U of Pennsylvania	MBA	finance
Ray T Parfet Jr	Upjohn	64	39	25	Port Huron, MI	U of Michigan	—	finance
Gordon R Parker	Newmont Mining	51	27	1	South Africa	Montana Coll	MBA	operations
Charles W Parry	Alcoa	62	39	4	Pittsburgh, PA	U of Pittsburgh	—	operations
David L Paul	CenTrust Savings	47	3	3	New York, NY	U of Pennsylvania	—	investment
Jerry K Pearlman	Zenith Electronics	48	16	4	Des Moines, IA	Princeton	MBA	finance
John E Pearson	No'western Natl Life	60	33	9	Minneapolis, MN	U of Minnesota	—	sales
Donald A Pels	Lin Broadcasting	59	18	18	New Rochelle, NY	U of Pennsylvania	JD	administration
Nelson Peltz[3]	Triangle Industries	45	3	3	Brooklyn, NY	U of Pennsylvania	—	administration
Louis H Pepper	Washington Mutual	62	5	5	Libertyville, IL	U of Wisconsin	JD	legal
Ronald O Perelman[4]	Revlon Group	43	2	1	Chicago, IL	U of Pennsylvania	—	administration
Kenneth W Perry	American Petrofina	55	30	1	Shamrock, TX	U of Oklahoma	—	technical
Ralph F Peters	DCNY Corp	58	32	6	Mineola, NY	Princeton	—	banking
Donald E Petersen	Ford Motor	60	37	2	Pipestone, MN	U of Washington	MBA	administration

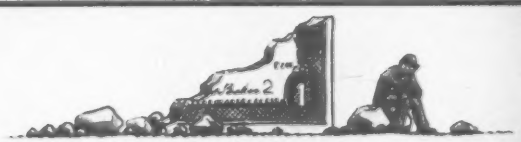
[1]Succeeded by Ronald E Ferguson, 3/1/87. [2]Office jointly held with James F & John N Nordstrom. [3]Fees paid to management consulting firm in which CEO has an interest. [4]Salary paid by MacAndrew & Forbes, 100% owned by Ronald O Perelman.

Compensation (000)				Rank among 800 execs	Industry	Rank in industry	Stock owned		1986			% change	
salary + bonus	other	stock gains	total				%	mkt val (mil)	sales (mil)	profits (mil)	employ (000)	profits	salary + bonus
$799	$15	—	$814	331	insurance	22 of 42	0.01%	$0.6	$3,175	$305.3	2.3	125%	64%
600E	—	—	600	483	communications	22 of 28	45.8	1,581.8	3,823	96.1	24.1	–60	NA
1,203	—	—	1,203	181	food processor	9 of 23	19.20	204.2	1,738	43.9	35.0	110	139
469	—	—	469	592	heavy equipment	11 of 13	0.01	0.2	3,454	–24.8	43.0	NM	42
645	89	$3,342	4,076	15	communications	1 of 28	0.91	50.7	4,124	181.9	19.9	28	3
1,242	348	—	1,590	111	oil	6 of 29	0.06	10.9	44,866	1,407.0	146.8	35	NA
745	30	855	1,630	106	banks	10 of 192	0.42	5.7	1,208	136.7	7.7	66	20
457	—	—	457	606	banks	125 of 192	1.35	7.8	838	52.2	6.7	52	11
184	3	—	187	789	banks	190 of 192	0.05	0.1	355	–3.3	2.7	NM	NA
6,354	13	—	6,367	6	automotive	2 of 18	0.43	6.2	3,537	43.0	54.9	NM	1281
557	789	—	1,346	147	heavy equipment	2 of 13	0.50	9.6	961	79.6	8.9	153	28
250	8	—	258	748	banks	175 of 192	1.00	1.3	321	2.2	2.9	–59	12
930	317	317	1,564	113	food distributor	4 of 24	0.90	6.8	2,988	26.2	9.1	291	7
341	7	278	626	462	retailing	24 of 38	5.47	1,229	1,630	72.9	17.8	46	14
207	7	—	214	775	natural gas	17 of 17	0.03	0.1	538	57.8	1.5	–3	16
743	197	39	979	266	surface transport	8 of 13	0.49	6.5	2,124	89.1	23.2	12	13
627	15	484	1,126	209	banks	23 of 192	1.29	1.9	579	28.0	1.5	23	31
605	52	51	708	398	banks	63 of 192	0.02	0.5	1,967	237.4	9.3	26	28
230	—	—	230	767	insurance	41 of 42	0.15	1.0	1,162	78.9	4.2	239	15
384	—	—	384	664	electric utilities	32 of 73	0.01	0.4	5,479	1,049.6	18.5	10	0
183	7	—	190	787	electric utilities	71 of 73	0.08	0.7	409	78.4	1.5	–8	24
1,006	1,358	—	2,364	53	food processor	4 of 23	1.10	63.7	4,366	301.7	46.0	13	11
366	5	—	371	668	insurance	36 of 42	2.26	11.0	1,444	73.9	1.9	31	20
755	—	—	755	360	computers & elec	12 of 29	2.00	445.4	7,590	617.4	91.9	38	0
1,107	273	116	1,496	125	telecommunications	1 of 19	0.01	2.5	34,087	314.0	327.3	–80	NA
758	14	162	934	284	chemicals	11 of 20	0.56	6.3	2,553	12.9	11.9	NM	61
1,488	15	555	2,058	69	chemicals	1 of 20	0.11	17.4	11,113	741.0	52.3	500+	50
700	—	—	700	405	apparel & textiles	3 of 5	3.75	103.1	813	86.2	2.6	42	12
432	9	—	441	619	banks	129 of 192	2.50	4.3	450	22.2	1.3	13	54
752	51	—	803	337	aerospace & defense	14 of 17	0.06	1.7	8,892	–52.5	103.2	NM	NA
442	10	—	452	612	electric utilities	22 of 73	0.04	0.8	1,634	213.2	4.8	5	20
264	—	—	264	742	banks	172 of 192	0.07	0.1	226	24.4	2.0	15	20
840	10	1,724	2,574	47	health	3 of 32	5.20	383.5	2,291	252.6	20.7	24	23
516	—	—	516	551	metals	9 of 12	0.05	1.4	381	75.4	6.6	NM	43
787	29	55	871	306	metals	2 of 12	0.11	4.6	4,667	264.0	35.7	NM	18
541	6	—	547	519	banks	100 of 192	1.06	0.4	531	24.0	1.6	–74	14
448	18	22	488	576	consumer products	21 of 23	0.44	2.8	1,892	–10.0	35.0	NM	22
414	—	—	414	639	insurance	34 of 42	0.15	0.4	1,095	48.5	2.8	93	25
870	—	—	870	307	communications	14 of 28	3.30	64.7	195	63.8	1.0	78	10
—	—	—	—	799	packaging	6 of 6	8.00	46.0	2,668	46.9	18.5	27	NA
291	122	89	502	563	banks	110 of 192	0.76	2.4	457	71.8	1.4	266	–6
—	—	—	—	798	consumer products	23 of 23	32.20	266.9	1,611	7.4	28.5	NM	NA
214	10	—	224	772	oil	28 of 29	0.15	1.1	2,019	–24.6	3.4	NM	NA
1,434	221	—	1,655	101	financial services	10 of 21	1.02	1.8	273	24.6	0.3	4	8
1,924	37	2,375	4,336	11	automotive	3 of 18	0.02	4.2	62,716	3,285.1	382.3	31	34

E: Estimate. NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Under-graduate	Graduate degree	Professional background
Milton J Petrie	Petrie Stores	84	60	60	Salt Lake City, UT	—	—	founder
John R Petty	Marine Midland Banks	57	10	4	Chicago, IL	Brown	—	finance
Robert J Pfeiffer	Alexander & Baldwin	67	27	7	Fiji	—	—	operations
William W Philip	Puget Sound Bancorp	60	36	15	Tacoma, WA	U of Washington	—	banking
Gene E Phillips	Southmark	49	7	6	Gaffney, SC	Clemson	—	investment
Harry J Phillips Sr	Browning-Ferris Inds	57	16	9	Memphis, TN	—	—	founder
Thomas L Phillips	Raytheon	63	39	18	Turkey	Virginia Poly Inst	MS	technical
Warren H Phillips	Dow Jones	61	40	12	New York, NY	Queens Coll	—	journalism
William Phillips	Ogilvy Group	56	31	6	Chicago, IL	Cornell	MBA	marketing
John M Pietruski	Sterling Drug	54	9	2	Sayreville, NJ	Rutgers	—	operations
Charles M Pigott	Paccar	58	31	19	Seattle, WA	Stanford	—	administration
Joseph J Pinola	First Interstate	62	11	9	Pittson, PA	Bucknell	—	banking
Kenneth N Pontikes	Comdisco	47	17	17	Chicago, IL	Southern Illinois	—	marketing
William J Popejoy	Fin Corp Of America	49	2	2	Vallejo, CA	Calif State	MA	banking
Victor Posner	DWG	68	34	20	Baltimore, MD	—	—	investment
Harold W Pote	Fidelcor	40	15	3	Philadelphia, PA	Princeton	MBA	banking
George E Powell Jr	Yellow Freight Systm	61	35	18	Kansas City, MO	Northeastern	—	administration
Thomas G Pownall	Martin Marietta	65	24	5	Cumberland, MD	US Naval Acad	—	marketing
Edmund T Pratt Jr	Pfizer	60	22	14	Savannah, GA	Duke	MBA	finance
Lewis T Preston	JP Morgan	60	35	7	New York, NY	Harvard	—	banking
Robert M Price	Control Data	56	26	1	New Bern, NC	Duke	MS	administration
Robert E Price	Price Co	44	11	11	San Diego, CA	Pomona Coll	—	founder
John A Puelicher	Marshall & Ilsley	66	41	29	Milwaukee, WI	U of Wisconsin	—	banking
Lawrence R Pugh	VF	54	7	5	White Plains, NY	Colby Coll	—	marketing
Charles R Pullin	Koppers	63	41	5	Point Pleasant, WV	U of Louisville	—	administration
Walter F Raab	AMP	62	34	5	Philadelphia, PA	U of Pennsylvania	—	finance
Jackson H Randolph	Cincinnati G&E	56	28	1	Cincinnati, OH	U of Cincinnati	MBA	finance
Robert D Ray	Life Investors	58	4	4	Le Mars, IA	Drake	JD	insurance
William B Rayburn	Snap-on Tools	62	33	3	Canandaigua, NY	—	—	marketing
Donald G Raymer	Central Ill Pub Svc	62	39	6	Jackson, MI	U of Michigan	MS	operations



Paul A Redmond	Washington Water	50	22	2	Lakeview, OR	Gonzaga	—	operations
John S Reed	Citicorp	48	22	2	Chicago, IL	Washington & Jefferson	MBA	banking
Carl E Reichardt	Wells Fargo	55	16	4	Houston, TX	U of Southern Calif	—	banking
Jack F Reichert	Brunswick	56	29	5	West Allis, WI	U of Wisconsin	MA	marketing
Robert P Reuss[1]	Centel	69	14	14	Aurora, IL	U of Illinois	MBA	operations
A William Reynolds	GenCorp	54	2	1	Columbus, OH	Harvard	MBA	administration
Charles E Rice	Barnett Banks	51	21	7	Chattanooga, TN	U of Miami	MBA	banking
Joseph A Rice	Irving Bank	62	20	3	Cranford, NJ	Rensselaer Poly Inst	MS	finance
Dean E Richardson	Manufacturers Natl	59	33	14	West Branch, MI	Michigan State	—	banking
Thomas F Richardson[2]	Northeast Bancorp	65	40	13	Hackensack, NJ	Colgate	—	banking

[1]Succeeded by John P Frazee Jr, 4/30/87. [2]Succeeded by Frank J Kugler Jr, 3/16/87.

Compensation (000) salary + bonus	other	stock gains	total	Rank among 800 execs	Industry	Rank in industry	Stock owned %	Stock owned mkt val (mil)	1986 sales (mil)	1986 profits (mil)	1986 employ (000)	% change profits	% change salary + bonus
$150	—	—	$150	793	retailing	38 of 38	50.70%	$702.4	$1,198	$73.7	16.0	12%	0
722	$20	—	742	370	banks	56 of 192	0.26	2.3	2,244	144.9	12.0	16	11%
962	119	$286	1,367	144	surface transport	5 of 13	0.22	3.2	504	92.4	3.3	11	13
313	10	—	323	706	banks	157 of 192	0.03	0.1	335	37.2	2,158.0	82	35
691	—	—	691	414	financial services	18 of 21	23.23	107.6	534	94.3	7.5	9	30
553	7	—	560	509	indus & office svcs	7 of 10	0.75	29.4	1,145	111.8	18.0	25	20
940	11	—	951	277	conglomerates	13 of 20	0.19	10.6	7,308	393.2	74.0	5	0
655	317	102	1,074	224	communications	9 of 28	0.04	1.7	1,135	183.4	7.0	32	8
495	63	—	558	510	communications	24 of 28	0.56	2.3	560	30.2	8.8	12	–10
802	—	—	802	338	consumer products	14 of 23	0.08	2.3	1,990	171.5	21.7	56	23
746	—	166	912	288	automotive	11 of 18	6.50	79.0	1,796	54.3	8.4	–26	4
985	231	331	1,547	115	banks	11 of 192	0.12	3.2	5,238	337.9	35.4	8	7
1,861	—	—	1,861	82	indus & office svcs	3 of 10	22.30	276.2	902	78.8	0.8	37	33
524	—	—	524	543	banks	106 of 192	0.76	1.8	3,331	95.4	5.6	904	0
8,431	—	—	8,431	4	conglomerates	1 of 20	45.9	38.9	1,084	–7.8	15.9	NM	–34
523	115	—	638	452	banks	78 of 192	0.51	3.9	1,026	92.3	5.2	91	12
658	56	—	714	391	surface transport	11 of 13	0.07	0.7	1,714	67.1	23.4	21	6
1,032	—	—	1,032	240	aerospace & defense	11 of 17	0.63	15.5	4,753	202.3	70.0	–19	10
1,168	—	—	1,168	198	health	13 of 32	0.19	22.4	4,476	660.0	39.6	14	10
1,399	90	394	1,883	80	banks	5 of 192	0.21	16.3	6,672	872.5	14.0	24	20
828	341	—	1,169	196	computers & elec	8 of 29	0.19	2.7	3,347	–268.5	36.6	NM	NA
227	—	—	227	770	retailing	37 of 38	2.70	56.1	2,649	58.9	6.3	28	4
400	602	—	1,002	249	banks	33 of 192	1.90	9.8	569	55.0	4.6	28	7
720	260	—	980	265	apparel & textiles	2 of 5	0.01	0.3	1,545	129.4	41.0	–7	–3
533	4	—	537	531	construction	17 of 20	0.01	0.1	1,396	63.2	10.9	NM	85
493	537	—	1,030	241	computers & elec	9 of 29	0.05	2.6	1,933	164.3	22.3	52	8
188	4	—	192	786	electric utilities	70 of 73	0.01	0.1	1,403	172.9	4.5	3	NA
301	7	—	308	716	insurance	38 of 42	0.02	0.1	1,023	35.0	1.6	0	39
515	—	22	537	529	automotive	16 of 18	0.22	3.2	670	65.5	6.4	10	21
207	—	—	207	779	electric utilities	64 of 73	0.02	0.1	626	73.7	2.8	–1	8

Kenneth L. Lay of Enron had a great 1985—$3.8 million. Last year he grossed only $731,000—a $3 million reduction. Most of his 1985 income was in capital gains.

193	5	—	198	785	electric utilities	69 of 73	0.02	0.1	390	62.4	1.4	–23	–19
1,142	41	—	1,183	189	banks	20 of 192	0.16	11.8	23,496	1,058.0	84.9	6	22
1,199	—	1,205	2,404	50	banks	4 of 192	0.27	6.9	3,965	273.5	18.4	44	30
1,028	1,602	—	2,630	46	leisure & recreation	3 of 13	0.28	5.8	1,717	110.3	22.8	10	40
588	442	—	1,030	242	telecommunications	9 of 19	0.08	1.4	1,370	109.0	12.5	–15	3
721	1	—	722	384	automotive	13 of 18	0.03	0.7	3,099	130.0	26.9	73	117
721	12	360	1,093	218	banks	26 of 192	0.11	2.2	1,914	162.0	14.9	26	10
905	—	—	905	294	banks	39 of 192	0.02	0.2	1,935	128.1	10.0	10	12
481	13	—	494	570	banks	114 of 192	0.31	1.6	660	60.0	4.2	20	30
386	—	150	536	532	banks	103 of 192	0.42	1.7	267	34.8	1.6	32	18

NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Under-graduate	Graduate degree	Professional background
Ronald K Richey	Torchmark	61	23	2	Erie, KS	Washburn	—	insurance
John M Richman	Kraft	59	32	8	New York, NY	Yale	—	legal
Victor J Riley Jr	KeyCorp	55	23	13	Buffalo, NY	U of Notre Dame	LLD	finance
Richard M Ringoen	Ball Corp	61	17	6	Ridgeway, IA	U of Iowa	MS	technical
Robert P Rittereiser	EF Hutton Group	48	1	1	New York, NY	City U New York	—	investment
John V Roach	Tandy	48	20	5	Stamford, TX	Texas Christian	MBA	operations
Burnell R Roberts	Mead	60	20	5	Lafayette Cty, WI	U of Wisconsin	MBA	finance
George A Roberts	Teledyne	68	46	1	Uniontown, PA	Carnegie Inst of Tech	MS	technical
Kenneth L Roberts	First American	54	11	10	Dungannon, VA	Vanderbilt	—	banking
Theodore H Roberts	Talman Home Fed S&L	58	2	2	Gillette, AR	Northwestern	MA	banking
Oran B Robertson	Fred Meyer	69	42	4	Turner, OR	—	—	operations
E Claiborne Robins Jr	AH Robins	43	18	9	Richmond, VA	U of Richmond	—	administration
Emerson B Robinson Jr	Deposit Guaranty	45	19	3	Centreville, MS	Davidson Coll	—	banking
James D Robinson III	American Express	51	16	10	Atlanta, GA	Georgia Inst of Tech	MBA	finance
Donald F Roby	Farm & Home Savings	58	1	1	Osceola, IA	Drake	—	administration
David M Roderick	USX	63	34	8	Pittsburgh, PA	U of Pittsburgh	—	finance
William F Roemer	Pennbancorp	53	17	7	Youngstown, OH	Princeton	—	banking
Justin T Rogers Jr	Ohio Edison	57	28	7	Sandusky, OH	Princeton	JD	legal
Ian M Rolland	Lincoln National	54	31	10	Fort Wayne, NJ	DePauw	MA	insurance
John A Rollwagen	Cray Research	46	11	6	Minneapolis, MN	MIT	MBA	marketing
Francis C Rooney Jr[1]	Melville	65	34	23	N Brookfield, MA	U of Pennsylvania	—	retailing
Michael D Rose	Holiday Corp	45	13	6	Akron, OH	U of Cincinnati	—	operations
Steven J Ross	Warner Commun[2]	59	25	25		Paul Smith Coll	—	finance
Steven G Rothmeier	NWA	40	14	2	Mankato, MN	U of Notre Dame	MBA	finance
Gary L Roubos	Dover	50	16	6	Denver, CO	U of Colorado	MBA	operations
Jack F Rowe	Minnesota Power	60	36	8	Sebeka, MN	U of Minnesota	—	technical
Robert L Royer	Louisville Gas & Elec	59	38	8	Louisville, KY	Rose Hulman Tech	—	technical
George P Rutland	CalFed	54	5	2	Tifton, GA	Pace	—	banking
Patrick G Ryan	AON[3]	50	23	4	Milwaukee, WI	Northwestern	—	insurance
Carroll L Saine	Central Fidelity Bks	53	30	6	Lincolnton, NC	Lenoir-Rhyne Coll	MS	banking
Harvey Saligman	Interco	48	11	4	Philadelphia, PA	Philadelphia Coll T&S	—	administration
Herbert M Sandler[4]	Golden West Finl	55	23	23	New York, NY	City Coll New York	JSD	founder
Vincent A Sarni	PPG Industries	58	18	2	Bayonne, NJ	U of Rhode Island	—	marketing
Henry B Schacht	Cummins Engine	52	22	17	Erie, PA	Yale	MBA	administration
George A Schaefer	Caterpillar	59	36	2	Covington, KY	St Louis	—	finance
Paul J Schierl	Fort Howard[5]	52	23	12	Neenah, WI	U of Notre Dame	—	legal
John J Schiff	Cincinnati Financial	71	37	14	Cincinnati, OH	Ohio State	—	insurance
Paul G Schloemer	Parker-Hannifin	58	29	3	Cincinnati, OH	U of Cincinnati	MBA	operations
W Paul Schmechel	Montana Power	60	33	4	Carrington, ND	Montana State	—	operations
John J Schmidt[6]	Santa Fe Southern	59	31	4	Chicago, IL	De Paul	JD	legal
Robert A Schoellhorn	Abbott Laboratories	58	13	8	Philadelphia, PA	Philadelphia Coll T&S	—	technical
William A Schreyer	Merrill Lynch	59	39	2	Williamsport, PA	Pennsylvania State	—	investment
Edmund A Schroer	No Indiana Pub Svc	59	10	10	Hammond, IN	Valparaiso	JD	legal
Bernard L Schwartz	Loral	61	15	15	Brooklyn, NY	City Coll New York	—	administration
John B Schwemm	RR Donnelley	53	22	3	Barrington, IL	Amherst	JD	legal

[1]Succeeded by Stanley P Goldstein, 1/1/87. [2]Figures are for year ended 12/31/86. [3]Formerly Combined International. [4]Office jointly held with Marion O Sandler. [5]Formerly Fort Howard Paper. [6]Acting CEO John S Reed, 4/20/87.

Compensation (000) salary + bonus	other	stock gains	total	Rank among 800 execs	Industry	Rank in industry	Stock owned %	Stock owned mkt val (mil)	1986 sales (mil)	1986 profits (mil)	1986 employ (000)	% change profits	% change salary + bonus
$926	—	—	$926	286	insurance	19 of 42	0.69%	$12.5	$1,555	$205.7	6.6	23%	14%
1,036	$2,522	$458	4,016	16	food processor	1 of 23	0.10	7.4	8,742	390.1	51.3	–16	8
673	2,500	—	3,173	27	banks	2 of 192	0.03	0.2	825	82.2	7.4	20	13
479	–	363	842	316	packaging	3 of 6	0.73	6.9	1,070	53.9	9.0	15	21
1,199	—	—	1,199	185	financial services	15 of 21	0.01	0.2	2,760	–90.3	18.2	NM	NA
609	64	—	673	428	retailing	22 of 38	0.05	2.1	3,036	197.7	35.5	5	47
431	6	799	1,236	176	paper	4 of 13	0.27	5.8	3,218	43.4	19.1	–54	–31
800	—	—	800	339	conglomerates	15 of 20	0.83	30.7	4,553	221.8	46.0	–59	NA
449	199	93	741	371	banks	58 of 192	0.60	3.2	528	53.3	3.4	33	4
600	5	—	605	481	banks	86 of 192	0.62	0.6	592	29.9	2.3	500+	0
385	12	215	612	477	food distributor	15 of 24	1.42	4.4	1,688	24.1	15.8	24	–8
305	—	—	305	717	health	32 of 32	9.22	45.4	790	81.8	6.3	33	–4
233	10	—	243	758	banks	184 of 192	0.54	1.4	310	31.1	2.1	43	–11
2,474	56	278	2,808	39	financial services	7 of 21	0.16	22.8	16,809	1,250.0	74.6	54	38
250*	—	—	250	755	banks	181 of 192	‡	§	299	21.7	0.7	57	NA
735	18	—	753	361	oil	17 of 29	0.17	12.3	14,000	1,593.0	63.9	409	–27
269	26	42	337	691	banks	151 of 192	0.73	3.0	313	29.9	2.2	50	12
428	—	—	428	631	electric utilities	26 of 73	0.00	0.1	1,742	410.8	7.4	11	29
705	—	388	1,093	217	insurance	17 of 42	0.13	2.8	5,999	284.4	12.9	33	41
604	18	96	718	387	computers & elec	13 of 29	0.20	7.5	597	124.8	3.6	65	22
892	—	157	1,049	231	retailing	12 of 38	0.06	2.1	5,262	238.3	78.2	13	20
604	18	—	622	468	leisure & recreation	11 of 13	1.00	4.4	1,648	103.4	45.0	–27	7
2,799	724	—	3,523	21	leisure & recreation	1 of 13	0.50	19.1	2,848	185.8	11.2	–5	0
600	—	25	625	465	air transport	5 of 11	0.24	3.9	3,589	76.9	22.3	5	71
650	6	239	895	296	conglomerates	14 of 20	0.15	3.1	1,440	83.8	16.6	–16	34
288	106	—	394	655	electric utilities	30 of 73	0.04	0.3	395	82.6	1.9	19	30
186	—	—	186	790	electric utilities	72 of 73	0.02	0.1	660	78.3	3.8	5	9
850	39	116	1,005	248	banks	32 of 192	0.27	2.2	2,356	164.4	6.4	22	31
562	56	—	618	471	insurance	29 of 42	12.50	206.7	1,806	247.2	7.4	36	25
410	12	—	422	635	banks	134 of 192	0.43	2.0	380	41.7	2.8	25	—
610	—	—	610	478	apparel & textiles	5 of 5	0.30	3.6	2,511	92.3	47.0	28	16
506	—	—	506	561	banks	108 of 192	7.60	85.2	1,359	183.8	2.5	15	14
696	588	120	1,404	136	automotive	8 of 18	0.05	2.7	4,687	316.4	36.5	5	19
450	373	—	823	325	automotive	12 of 18	1.16	10.3	2,304	–107.3	21.3	NM	–35
449	8	116	573	500	heavy equipment	9 of 13	0.04	2.0	7,321	76.0	54.0	–62	7
600	54	1,364	2,018	74	paper	3 of 13	0.23	8.4	1,549	146.4	15.5	–7	6
390	—	—	390	660	insurance	35 of 42	4.06	38.9	776	93.5	1.5	70	11
607	129	299	1,035	238	heavy equipment	5 of 13	0.23	3.4	1,730	88.2	25.1	5	19
212	13	48	273	731	electric utilities	49 of 73	0.03	0.3	655	66.9	3.7	–45	27
793	4	—	797	340	surface transport	10 of 13	0.04	2.5	5,631	–137.9	56.4	NM	11
1,191	3	461	1,655	102	health	7 of 32	0.04	5.5	3,808	540.5	35.2	16	12
2,901	—	—	2,901	35	financial services	5 of 21	0.15	6.0	9,475	469.2	46.4	109	81
295	33	—	328	698	electric utilities	42 of 73	0.02	0.1	1,626	–14.1	5.7	NM	4
1,037	—	—	1,037	237	aerospace & defense	10 of 17	4.93	48.8	664	53.0	7.3	26	17
592	225	383	1,200	184	communications	6 of 28	0.14	3.8	2,234	158.3	20.6	7	1

*Annualized salary. ‡Less than 0.01%. §Less than $100,000. NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Under-graduate	Graduate degree	Professional background
Peter L Scott	Emhart	60	1	1	Bellaire, OH	Ohio State	—	administration
John Sculley	Apple Computer	48	4	4	New York, NY	Brown	MBA	marketing
W Bruce Seaton	American President	62	17	4	Philadelphia, PA	UCLA	—	finance
Paul R Seegers	Centex	57	25	8	Dallas, TX	Valparaiso	MBA	finance
Maurice Segall	Zayre	58	9	9	Canada	McGill	MA	retailing
George J Sella Jr	American Cyanamid	58	32	4	West New York, NJ	Princeton	MBA	operations
T Joseph Semrod	United Jersey Banks	50	6	6	Oklahoma City, OK	U of Oklahoma	—	banking
Robert T Shaw[1]	ICH	53	22	12		—	—	insurance
William J Shepherd	Horizon Bancorp	61	22	11	Richmond Hill, NY	Rutgers	MBA	banking
Teruhisa Shimizu	Sumitomo Bank Cal	54	32	4	Japan	Tokyo	—	banking
Walter V Shipley	Chemical New York	51	30	3	Newark, NJ	NYU	—	banking
Robert H Short	Portland General	62	32	6	Klamath Falls, OR	U of Oregon	—	finance
Frank A Shrontz	Boeing	55	29	1	Boise, ID	U of Idaho	MBA	administration
Alan F Shugart	Seagate Technology	56	8	8	Los Angeles, CA	U of Redlands	—	founder
Edwin H Shutt Jr	Tambrands	59	6	5	St Louis, MO	Princeton	—	marketing
Morris Sidewater	Charming Shoppes	75	47	16	Philadelphia, PA	—	—	founder
Andrew C Sigler	Champion Intl	55	30	12	Brooklyn, NY	Dartmouth Coll	MBA	sales
Sanford C Sigoloff	Wickes Cos[2]	56	5	5	St Louis, MO	UCLA	—	operations
Cecil J Silas	Phillips Petroleum	55	33	2	Miami, FL	Georgia Inst of Tech	—	operations
Roy W Simmons	Zions Bancorp[3]	71	33	21	Portland, OR	—	—	banking
Leonard S Simon	Rochester Community	50	18	2	New York, NY	MIT	PhD	marketing
Peter E Simon	Prime Motor Inns	62	19	19	Passaic, NJ	Rutgers	—	founder
Thomas C Simons	Capital Holding	58	9	9	Pasadena, CA	Harvard	—	insurance
Lennie S Skaggs	American Stores	63	42	21	Yakima, WA	—	—	retailing
Herbert A Sklenar	Vulcan Materials	56	14	1	Omaha, NE	U of Omaha	MBA	finance
George R Slater	Marine	63	11	9	Indianapolis, IN	Purdue	PhD	banking
Ronald R Sloan	Amfac	52	26	1	Eugene, OR	Oregon State	—	administration
John G Sloneker	Ohio Casualty	65	39	8	Hamilton, OH	Yale	—	insurance
John G Smale	Procter & Gamble	59	34	6	Canada	Miami U of Ohio	—	marketing
L Edwin Smart	TW Services	64	21	11	Columbus, OH	Harvard	JD	legal
Daniel R Smith	First of America Bk	53	31	1	Kalamazoo, MI	Western Michigan	—	banking
Darwin E Smith	Kimberly-Clark	61	29	15	Garrett, IN	Indiana	—	legal
Frederick W Smith	Federal Express	42	16	16	Marks, MS	Yale	—	founder
Gerald H Smith	Allied Bancshares	56	28	15	Groveton, TX	Sam Houston State	MBA	banking
Orin R Smith	Engelhard	51	15	3	Newark, NJ	Brown	MBA	sales
Richard A Smith	General Cinema	62	40	[redacted]	Boston, MA	Harvard	—	administration
Roger B Smith	General Motors	61	37	6	Columbus, OH	U of Michigan	MBA	finance
Sherwood H Smith Jr	Carolina Pwr & Lt	52	22	7	Jacksonville, FL	U of North Carolina	JD	legal
Tom E Smith	Food Lion	46	16	1	China Grove, NC	Catawba Coll	—	retailing
William D Smithburg	Quaker Oats	48	21	5	Chicago, IL	De Paul	MBA	marketing

[1]Fees paid to management consulting firm in which CEO has an interest. [2]Figures are for year ended 1/31/86. [3]Formerly Zions Utah Bancorp.

Compensation (000) salary + bonus	other	stock gains	total	Rank among 800 execs	Industry	Rank in industry	Stock owned %	mkt val (mil)	1986 sales (mil)	profits (mil)	employ (000)	% change profits	% change salary + bonus
$1,000	—	—	$1,000	251	heavy equipment	6 of 13	0.25%	$3.3	$2,094	$–10.2	32.3	NM	70%
1,697	—	—	1,697	99	computers & elec	4 of 29	0.45	22.6	1,902	154.0	5.0	152%	61
538	$412	—	950	278	surface transport	9 of 13	0.42	3.4	1,440	18.0	3.8	–53	–26
461	30	—	491	573	construction	18 of 20	2.28	12.3	1,427	47.6	4.6	21	6
663	—	$212	875	304	retailing	18 of 38	0.50	7.2	5,351	92.4	60.0	–2	–45
1,008	13	288	1,309	156	chemicals	5 of 20	0.14	5.8	3,816	202.5	35.4	57	38
622	7	65	694	412	banks	70 of 192	0.41	3.9	707	71.5	5.3	100	16
—	—	—	—	800	insurance	42 of 42	NA	NA	1,545	152.0	3.9	7	NA
327	204	—	531	534	banks	104 of 192	0.95	4.7	330	34.6	2.8	13	12
173	12	—	185	791	banks	191 of 192	0.17	0.3	300	14.8	1.7	15	20

After 60 years Milton J. Petrie remains boss at Petrie Stores. Other founders with 40 years or more at the helm: William T. Dillard Sr. of Dillard Department Stores, Sam Walton of Wal-Mart Stores and J. Peter Grace at W.R. Grace.

713	303	—	1,016	246	banks	31 of 192	0.08	1.7	5,488	402.4	20.3	3	2
308	18	—	326	701	electric utilities	43 of 73	0.01	0.1	760	90.8	3.1	–48	19
674	19	221	914	287	aerospace & defense	13 of 17	0.04	2.6	16,341	665.0	118.5	17	NA
390	—	—	390	659	computers & elec	24 of 29	2.10	34.2	460	34.5	6.3	500+	89
468	—	—	468	597	consumer products	22 of 23	0.19	2.5	487	69.1	4.4	11	4
262	30	—	292	721	retailing	36 of 38	2.00	25.6	521	40.5	6.5	41	11
860	32	127	1,019	244	paper	5 of 13	0.15	5.3	4,388	200.8	37.6	23	8
1,473	30	—	1,503	121	retailing	6 of 38	0.27	2.2	4,770	73.9	50.7	82	0
823	227	—	1,050	229	oil	9 of 29	0.05	1.7	9,786	228.0	23.6	–45	25
230	4	362	596	484	banks	87 of 192	9.03	21.4	301	20.6	1.9	–27	–1
212	—	—	212	776	banks	189 of 192	0.15	0.3	297	12.4	1.2	0	NA
650	23	—	673	427	leisure & recreation	10 of 13	2.54	29.2	332	37.5	6.6	50	44
1,014	17	410	1,441	132	insurance	9 of 42	0.14	2.1	2,292	273.4	8.3	91	8
1,044	—	—	1,044	235	retailing	14 of 38	11.00	234.9	14,021	144.5	125.5	–6	5
544	19	—	563	505	construction	15 of 20	0.18	2.7	958	93.2	6.3	31	NA
409	—	586	995	257	banks	34 of 192	0.79	2.1	397	35.4	2.7	33	13
325	9	—	334	694	conglomerates	18 of 20	0.60	3.0	1,962	–66.6	22.0	NM	NA
300	9	—	309	714	insurance	37 of 42	3.60	33.6	1,415	102.7	5.6	133	13
1,084	191	169	1,444	130	consumer products	5 of 23	0.07	10.5	15,439	709.0	68.4	12	16
430	10	—	440	620	food distributor	20 of 24	0.05	0.4	1,918	15.7	59.0	–93	NA
393	—	—	393	656	banks	143 of 192	0.13	0.6	555	52.9	5.4	22	23
889	18	186	1,093	216	consumer products	8 of 23	0.23	11.9	4,303	269.4	36.6	1	–5
488	5	—	493	572	air transport	9 of 11	8.40	270	2,603	131.8	34.0	73	25
225	30	—	255	749	banks	176 of 192	2.63	8.8	936	–17.6	3.5	NM	0
825	255	189	1,269	164	metals	1 of 12	1.12	12.7	2,290	53.3	7.0	25	18
628	2	—	630	459	beverages & tobacco	8 of 11	0.11	1.9	999	124.0	12.5	36	9
1,087	329	—	1,416	135	automotive	7 of 18	0.01	2.7	102,814	2,944.8	876.0	–26	–34
312	36	—	348	687	electric utilities	40 of 73	0.04	1.1	2,041	357.8	9.4	8	–4
428	31	508	965	270	food distributor	9 of 24	0.90	20.9	2,407	61.8	19.0	30	NA
872	226	—	1,098	214	food processor	11 of 23	0.22	7.8	3,671	179.6	31.4	15	17

NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Undergraduate	Graduate degree	Professional background
William B Snyder	Geico	57	10	1	Clarksburg, WV	Texas Tech	—	marketing
W Roger Soles	Jefferson-Pilot	66	40	19	Whiteville, NC	U of North Carolina	—	investment
Jack D Sparks	Whirlpool	64	46	4	Chicago, IL	—	—	marketing
Arthur S Spear[1]	Mattel	66	22	12	Providence, RI	MIT	—	operations
Roy M Speer	Home Shopping Netwrk	54	1	1	Key West, FL	Stetson	MBA	founder
Edson W Spencer	Honeywell	61	32	12	Chicago, IL	Williams Coll	—	sales
Thomas Spiegel	Columbia S&L	41	10	10	Czechoslovakia	U of Southern Calif	—	finance
Charles E Sporck	Natl Semiconductor	59	20	20	Saranac Lake, NY	Cornell	—	production
John M Stafford	Pillsbury	50	12	2	Evanston, IL	Yale	—	administration
John R Stafford	American Home Prod	49	17	1	Harrisburg, PA	Dickinson Coll	JD	legal
Delbert C Staley	Nynex	62	41	3	Hammond, IN	—	—	operations
David Stanley	Payless Cashways	51	7	5	Kansas City, KS	U of Wisconsin	JD	legal
Thomas J Stanton Jr	First Jersey Natl	59	33	19	Jersey City, NJ	Georgetown	—	banking
Eric Stattin	Florida Federal S&L	53	1	1	Chicago, IL	U of Illinois	—	finance
Howard Stein	Dreyfus	60	32	16	New York, NY	—	—	investment
Saul P Steinberg	Reliance Group	47	26	26	New York, NY	U of Pennsylvania	—	founder
William T Stephens	Manville	44	24	1	Crossett, AR	U of Arkansas	MS	operations
Whitney Stevens	JP Stevens	60	39	7	Plainfield, NJ	Princeton	—	sales
James E Stewart	Lone Star Industries	65	34	9	Minneapolis, MN	—	—	administration
Robert H Stewart III	InterFirst	61	36	3	Dallas, TX	Southern Methodist	—	banking
Robert W Stewart	Primark	62	16	5	Tulsa, OK	Missouri State Coll	MBA	marketing
William P Stiritz	Ralston Purina	52	23	5	Jasper, AR	Northwestern	MA	marketing
Irving I Stone	American Greetings	78	63	27	Cleveland, OH	—	—	administration
Roger W Stone	Stone Container	52	30	8	Chicago, IL	U of Pennsylvania	—	marketing
John H Stooky	National Distillers	57	17	1	New York, NY	—	—	technical
James R Stover	Eaton	60	31	1	Marion, IN	Catholic U of America	—	operations
William R Stover	Old Republic Intl	64	42	11		Northwestern	—	insurance
Robert Strickland	Suntrust Banks	61	39	11	Atlanta, GA	Davidson Coll	—	banking
Barry F Sullivan	First Chicago	56	6	6	Bronx, NY	Columbia	MBA	banking
Fred R Sullivan	Kidde	72	23	23	Fort Wayne, IN	Rutgers	MBA	finance
Arthur Ochs Sulzberger	New York Times	61	33	24	New York, NY	Columbia	—	journalism
Robert A Swanson	Genentech	39	11	11	New York, NY	MIT	SM	founder
John E Swearingen	Continental Illinois	68	2	2	Columbia, SC	U South Carolina	MS	administration
Robert J Sweeney	Murphy Oil	59	35	3	Montpelier, VT	Auburn	MS	operations
Stephen J Sweeney	Boston Edison	58	33	3	Winthrop, MA	Mount St Mary's Coll	PMD	technical
William Swindells Jr	Willamette Ind's	56	33	5	Oakland, CA	Stanford	—	operations
G J Tankersley	Consol Natural Gas	66	20	8	Ruston, LA	Auburn	—	operations
David S Tappen Jr	Fluor	65	35	2	China	Swarthmore Coll	MBA	sales
Frank J Tasco	Marsh & McLennan	59	33	1	New York, NY	NYU	—	insurance
Bernard J Taylor II	Wilmington Trust	61	7	7	Philadelphia, PA	U of Pennsylvania	—	banking
James C Taylor[2]	Utah Power & Light	61	34	2	Preston, ID	U of New Mexico	JD	technical
R Lee Taylor II	Federal Co	45	21	5	Memphis, TN	Princeton	—	administration
William O Taylor	Affiliated Pubs	54	31	5	Boston, MA	Harvard	—	finance
John W Teets	Greyhound	53	23	5	Elgin, IL	—	—	administration
Ronald Terry	First Tennessee Natl	56	30	13	Memphis, TN	Memphis State	—	banking

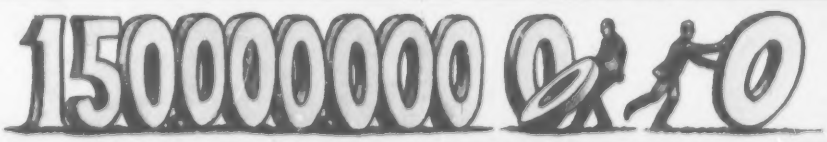
[1]Succeeded by John W Amerman, 2/12/87. [2]Acting CEO Frank N Davis, 2/11/87.

Compensation (000)				Rank among 800 execs	Industry	Rank in industry	Stock owned %	Stock owned mkt val (mil)	1986 sales (mil)	1986 profits (mil)	1986 employ (000)	% change profits	% change salary + bonus
salary + bonus	other	stock gains	total										
$752	$634	$442	$1,828	84	insurance	7 of 42	0.38%	$7.7	$1,430	$217.7	5.7	28%	95%
650	—	—	650	444	insurance	27 of 42	0.14	1.8	1,040	123.1	5.4	–4	–16
1,000	1	1,276	2,277	60	consumer products	2 of 23	0.17	4.5	4,009	199.7	28.2	10	10
482	43	—	525	542	leisure & recreation	13 of 13	NA	NA	1,059	58.1	19.0	NM	–43
400*	—	—	400	651	retailing	34 of 38	23.20	331.4	160	17.0	1.4	NM	NA
562	28	117	707	399	computers & elec	16 of 29	0.13	4.9	5,378	–398.1	74.7	NM	–29
3,859	239	—	4,098	13	banks	1 of 192	21.90	35.8	1,141	193.5	0.7	58	–3
382	10	—	392	658	computers & elec	23 of 29	0.99	13.9	1,478	–148.3	34.0	NM	6
698	685	—	1,383	139	food processor	7 of 23	0.04	1.4	5,848	208.1	100.5	8	42
776	275	424	1,475	128	health	8 of 32	0.07	8.4	4,927	778.8	45.4	9	NA
950	153	66	1,169	197	telecommunications	4 of 19	0.01	1.5	11,342	1,215.3	89.9	11	22
511	—	—	511	555	retailing	28 of 38	0.34	2.6	1,526	42.4	13.4	11	54
457	—	—	457	607	banks	126 of 192	0.40	1.6	404	37.4	3.7	24	24
258	—	—	258	747	banks	174 of 192	0.67	1.0	532	–65.5	1.7	NM	NA
1,611	308	—	1,919	77	financial services	9 of 21	2.70	38.5	232	80.6	0.8	45	16
4,187	5,679	—	9,866	3	insurance	1 of 42	43.80	287.5	3,145	103.9	9.8	139	NA
455	—	—	455	608	construction	20 of 20	‡	§	1,920	81.2	19.5	NM	–29
690	512	—	1,202	182	consumer products	7 of 23	1.03	7.5	1,656	55.5	25.0	NM	8
500	60	180	740	373	construction	11 of 20	2.34	14.9	883	117.4	7.0	115	0
350	4	—	354	680	banks	147 of 192	0.16	0.6	1,790	–326.5	8.9	NM	0
474	23	1,097	1,594	110	natural gas	2 of 17	0.45	2.3	1,554	53.8	5.2	5	27
750	157	562	1,469	129	food processor	6 of 23	0.47	27.8	5,515	412.4	54.9	61	25
250	—	1,504	1,754	93	communications	4 of 28	0.23	2.1	1,013	74.4	19.4	0	0
443	—	—	443	617	paper	11 of 13	3.4	56.9	2,032	35.4	12.4	832	–5
656	4	1,155	1,815	86	chemicals	2 of 20	0.06	1.4	1,685	75.6	12.2	–2	NA
646	1,015	—	1,661	100	computers & elec	5 of 29	0.20	5.5	3,812	137.6	42.3	–40	NA
266	—	—	266	740	insurance	40 of 42	NA	NA	1,144	77.5	4.5	21	0
481	247	—	728	379	banks	60 of 192	0.16	4.9	2,463	245.1	19.6	47	50
910	261	—	1,171	195	banks	21 of 192	0.32	4.8	4,001	276.2	14.1	63	43
885	132	183	1,200	188	conglomerates	8 of 20	1.42	10.5	2,356	25.2	35.0	–65	13
825	253	118	1,196	186	communications	7 of 28	21.4	712.9	1,565	132.2	10.2	14	16
324	—	—	324	704	health	30 of 32	5.30	209.3	127	–352.2	1.0	NM	14
600	10	—	610	479	banks	85 of 192	0.26	1.3	2,566	98.7	9.4	–26	0
346	17	2	365	676	oil	27 of 29	0.20	2.2	1,313	–194.8	4.8	NM	–10
335	—	—	335	692	electric utilities	41 of 73	0.01	0.1	1,105	106.2	4.4	13	–9
406	24	—	430	630	paper	12 of 13	4.85	68.4	1,200	74.7	8.2	24	9
645	547	89	1,281	161	natural gas	3 of 17	0.08	2.5	2,623	174.7	7.6	–18	4
490	10	140	600	482	construction	14 of 20	0.44	5.1	4,457	–100.4	24.6	NM	0
1,098	326	1,230	2,654	45	insurance	4 of 42	0.26	11.7	1,804	243.2	18.8	49	NA
507	31	162	700	407	banks	68 of 192	0.21	1.1	263	34.0	1.6	26	24
194	10	—	204	782	electric utilities	67 of 73	NA	NA	985	146.3	5.3	–6	4
254	—	—	254	750	food processor	22 of 23	1.05	8.2	1,217	36.7	11.0	3	18
393	—	375	768	353	communications	18 of 28	5.40	90.9	401	66.1	3.8	113	7
1,048	350	96	1,494	136	surface transport	4 of 13	0.15	2.1	3,088	186.2	35.9	55	21
324	191	—	515	553	banks	107 of 192	1.37	5.7	526	47.4	4.1	25	19

*Annualized salary. ‡Less than 0.01% §Less than $100,000. NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Under-graduate	Graduate degree	Professional background
A Bronson Thayer[1]	First Florida Banks	47	5	4	Mineola, NY	Harvard	MBA	finance
Jere W Thompson	Southland	55	33	1	Dallas, TX	U of Texas	—	administration
W Reid Thompson	Potomac Electric	62	16	16	Durham, NC	U of North Carolina	—	legal
Kenneth J Thygerson	Imperial Corp of Am	41	1	1	Chicago, IL	Northwestern	PhD	finance
Richard G Tilghman	United Virginia Bksh	46	20	1	Norfolk, VA	U of Virginia	—	banking
Laurence A Tisch	CBS	64	1	1	Brooklyn, NY	NYU	MA	finance
Laurence A Tisch	Loews	64	27	26	Brooklyn, NY	NYU	MA	finance
Zane G Todd	Ipalco Enterprises	63	36	11	Hanson, KY	Purdue	—	operations
Eugene A. Tracy	Peoples Energy	59	35	5	Oak Park, IL	Northwestern	MBA	finance
Oliver S Travers	Allegheny Intl	61	6	1	Baltimore, MD	U of Maryland	—	administration
James G Treybig	Tandem Computers	46	12	12	Clarendon, TX	Rice	MBA	founder
Bernard C Trueschler	Baltimore Gas & Elec	64	39	7	Baltimore, MD	Johns Hopkins	—	technical
G Robert Truex Jr	Rainier Bancorp	63	13	13	Red Bank, NJ	Rutgers	—	banking
Gerald Tsai Jr	Primerica[2]	58	5	1	China	Boston	MA	finance
Keith L Turley	Pinnacle West[3]	64	35	13	Mesa, AZ	Arizona State	—	administration
Fred L Turner[4]	McDonald's	54	31	13	Des Moines, IA	De Paul	—	retailing
Jack Twyman	Super Food Services	53	17	15	Pittsburgh, PA	U of Cincinnati	—	administration
Don Tyson	Tyson Foods	57	35	24	Olathe, KS	—	—	operations
John D Uible	Florida Natl Banks	51	10	3	Cleveland, OH	—	—	banking
James R Underkofler	Wisconsin P&L	63	45	18	Baraboo, WI	U of Wisconsin	—	finance
P Roy Vagelos	Merck	57	12	1	Westfield, NJ	U of Pennsylvania	MD	technical
Robert Van Buren	Midlantic	62	16	10	Plainfield, NJ	Washington & Lee	MBA	banking
Robert Van Tuyle	Beverly Enterprises	74	15	12	Manchester, IL	—	—	administration
Thomas A Vanderslice	Apollo Computer	55	2	2	Philadelphia, PA	Boston Coll	PhD	administration
Romeo J Ventres	Borden	62	29	1	Boston, MA	Worcester Poly Inst	—	operations
Wesley W von Schack	Duquesne Light	43	3	1	New York, NY	Fordham	MBA	finance
Oliver W Waddell	First National Cinc	56	30	3	Covington, KY	Duke	JD	banking
Hicks B Waldron	Avon Products	66	3	3	Amsterdam, NY	U of Minnesota	—	marketing
Charles R Walgreen III	Walgreen	51	35	16	Chicago, IL	U of Michigan	—	operations
Richard F Walker	Public Service Col	63	37	8	Alliance, NE	U of Colorado	—	technical



Evern R Wall	El Paso Electric	54	30	11	Borger, TX	New Mexico State	—	technical
William F Wall	Kansas Power & Light	59	12	11	Seattle, WA	U of Washington	—	legal
Winston R Wallin	Medtronic	61	9	2	Minneapolis, MN	U of Minnesota	—	operations
Sam M Walton	Wal-Mart Stores	69	41	41	Kingfisher, OK	U of Missouri	—	founder
Robert L Waltrip	Service Corp Intl	56	24	24	Austin, TX	U of Houston	—	founder
An Wang	Wang Laboratories	67	36	36	China	Chia Tung	PhD	founder
Earl Wantland	Tektronix	55	32	12	Bridge, OR	—	—	operations
John A Warren	Scana	62	29	1	Paducah, KY	Vanderbilt	—	operations
Lew R Wasserman	MCA	74	50	40	Cleveland, OH	—	—	sales
Hays T Watkins	CSX	61	38	16	Fern Creek, KY	Western Kentucky	MBA	finance

[1]Paid director's fees only. [2]Formerly American Can. [3]Formerly AZP Group. [4]Succeeded by Michael R Quinlan, 3/1/87.

Compensation (000) salary + bonus	other	stock gains	total	Rank among 800 execs	Industry	Rank in industry	Stock owned %	Stock owned mkt val (mil)	1986 sales (mil)	1986 profits (mil)	1986 employ (000)	% change profits	% change salary + bonus
$ 9	—	—	$ 9	797	banks	192 of 192	0.08%	$0.4	$ 412	$ 47.2	3.5	10%	13%
795	$11	—	806	334	food distributor	10 of 24	6.61	149.4	8,187	200.4	63.5	–6	NA
609	18	—	627	461	electric utilities	6 of 73	0.10	2.2	1,371	206.1	5.5	12	32
750	—	—	750	363	banks	54 of 192	0.09	0.2	1,035	52.1	2.9	NM	100
430	—	$203	633	455	banks	79 of 192	0.28	2.4	864	81.9	5.8	21	54
750*	—	—	750	364	communications	19 of 23	0.00	0.0	4,646	389.2	22.1	500+	NA
770	23	—	793	345	insurance	23 of 42	11.80	611.8	8,256	545.5	22.4	–7	18
529	—	—	529	536	electric utilities	15 of 73	0.06	0.5	512	122.7	2.3	73	102
262	8	213	483	582	natural gas	13 of 17	0.08	0.5	1,498	77.8	3.5	–3	7
275	—	—	275	728	conglomerates	19 of 20	0.42	1.0	1,327	–164.0	18.0	NM	NA
348	—	—	348	689	computers & elec	26 of 29	0.80	24.0	768	63.8	5.6	35	9
338	46	—	384	663	electric utilities	33 of 73	0.06	1.3	1,834	274.6	8.9	11	–12
559	—	337	896	295	banks	40 of 192	0.42	4.0	827	70.0	5.6	7	5
1,222	378	—	1,600	108	financial services	11 of 11	3.07	70.8	2,887	220.0	24.3	48	NA
702	8	—	710	395	electric utilities	2 of 73	0.02	0.5	1,250	234.2	10.1	–16	99
522	58	—	580	492	food distributor	16 of 24	0.19	19.6	4,144	479.7	159.0	11	–5
440	—	—	440	621	food distributor	21 of 24	1.47	2.6	1,422	10.6	1.9	15	14
2,684	34	—	2,718	42	food processor	2 of 23	2.10	29.9	1,504	50.3	20.8	45	116
248	—	—	248	756	banks	182 of 192	8.63	46.5	644	34.4	4.7	–61	–10
265	1	—	266	741	electric utilities	53 of 73	0.05	0.3	569	60.5	2.5	0	7
963	—	—	963	271	health	16 of 32	0.06	12.0	4,129	675.7	30.8	25	42
842	298	612	1,752	94	banks	8 of 192	0.22	3.3	988	112.8	7.3	25	16
746	35	—	781	347	health	18 of 32	0.82	7.7	2,019	51.5	110.5	–14	25
615	11	—	626	463	computers & elec	18 of 29	1.55	11.3	392	9.3	3.4	NM	19
819	34	143	996	254	food processor	13 of 23	0.01	0.4	5,002	223.3	33.8	15	NA
202	—	—	202	783	electric utilities	68 of 73	‡	§	896	151.4	4.6	–14	NA
265	4	—	269	734	banks	170 of 192	0.04	0.2	386	40.1	2.5	18	6
1,146	84	—	1,230	178	consumer products	6 of 23	0.22	4.8	2,883	158.7	36.8	NM	68
533	429	—	962	273	retailing	17 of 36	0.93	20.7	3,661	103.1	38.0	9	6
261	1	—	262	745	electric utilities	55 of 73	0.01	0.1	1,658	123.8	6.8	12	4

Total profits of the firms surveyed came to $139 billion, and their chief executives made $808 million. The pay works out to less than 0.6% of profits—0.4% of profits if stock gains are excluded.

264	41	—	305	718	electric utilities	46 of 73	0.10	0.6	318	95.6	1.1	–15	–7
280	—	—	230	726	natural gas	16 of 17	0.04	0.3	1,199	91.4	4.5	–3	19
379	—	—	379	665	health	28 of 32	0.09	1.2	403	53.4	4.9	40	NA
325	24	—	349	686	retailing	35 of 36	8.90	1,420.7	12,026	450.1	122.5	37	0
658	34	—	692	413	consumer products	17 of 23	4.30	52.8	264	41.0	6.9	17	34
405	—	—	405	646	computers & elec	22 of 29	30.80	868.5	2,643	50.9	31.0	228	0
305	10	—	315	709	computers & elec	27 of 29	0.32	4.3	1,352	39.3	19.9	–56	3
233	—	—	233	766	electric utilities	60 of 73	0.14	2.0	1,102	122.2	3.9	8	27
559	30	—	589	487	leisure & recreation	12 of 13	6.90	245.1	2,441	155.2	16.3	3	10
1,053	1	503	1,557	114	surface transport	3 of 13	0.06	2.6	6,345	418.0	50.5	NM	4

*Annualized salary. ‡Less than 0.01%. §Less than $100,000. NA: Not available. NM: Not meaningful.

What the Boss Makes

Chief executive	Company	Age	—Tenure (years)— with firm	as CEO	Birthplace	Undergraduate	Graduate degree	Professional background
Charles R Weaver	Clorox	58	33	1	Kingman, IN	Purdue	—	marketing
Roy E Weber	Great Lakes Bancorp[1]	58	36	17	Ann Arbor, MI	—	—	banking
G Dale Weight	Benj Franklin S&L	53	3	3	Salt Lake City, UT	U of Utah	PhD	banking
Sanford I Weill	Commercial Credit	54	1	1	New York, NY	Cornell	—	finance
Walter H Weiner	Republic New York	56	7	7	Brooklyn, NY	U of Michigan	JD	legal
Sigfried Weis	Weis Markets	71	48	27	Selinsgrove, PA	Yale	—	retailing
Walter L Weisman	American Medical	52	17	1	Chicago, IL	Stanford	JD	operations
William L Weiss	Ametritech	58	36	3	Big Run, PA	Pennsylvania State	—	operations
Lawrence Weisenberg	Homestead Financial	66	27	27	New York, NY	—	—	banking
William J Weisz	Motorola	60	39	1	Marshfield, WI	MIT	—	technical
John F Welch Jr	General Electric	51	26	6	Peabody, MA	U of Massachusetts	PhD	technical
Henry Wendt	SmithKline Beckman	53	32	5	Neptune City, NJ	Princeton	—	marketing
Robert V West Jr	Tesoro Petroleum	66	31	22	Kansas City, MO	U of Texas	PhD	founder
Josh S Weston	Automatic Data Proc	58	16	4	Brooklyn, NY	NYU	MA	operations
Ted C Wetterau	Wetterau	59	35	17	St Louis, MO	Westminster Coll	—	marketing
Leslie H Wexner	Limited	49	23	23	Dayton, OH	Ohio State	—	founder
George H Weyerhaeuser	Weyerhaeuser	60	37	21	Seattle, WA	Yale	—	production
Willis S White Jr	American Electric	60	38	11	Portsmouth, VA	Virginia Poly Inst	MS	technical
Edward W Whittemore	American Brands	64	40	6	New York, NY	Columbia	—	marketing
Paul A Willax	Empire of America	48	20	8	Buffalo, NY	Canisius Coll	MBA	banking
Joseph H Williams	Williams Cos	54	28	8	Tulsa, OK	Yale	—	operations
Joseph D Williams	Warner-Lambert	60	37	2	Washington, PA	U of Nebraska	—	marketing
Walter F Williams	Bethlehem Steel	53	36	1	Upland, PA	U of Delaware	—	operations
Peter S Willmott	Carson Pirie Scott	50	4	4	San Francisco, CA	Williams Coll	MBA	finance
Robert G Wilmers	First Empire State	53	4	4	New York, NY	Harvard	—	banking
J Tylee Wilson[2]	RJR Nabisco	56	13	3	Teaneck, NJ	Lafayette Coll	—	administration
Leon F Winbigler	Mercantile Stores	61	38	12	Brookfield, MO	U of Missouri	—	retailing
William Wishnick	Witco	62	45	15	Brooklyn, NY	U of Texas	—	administration
Frank Wobst	Huntington Bshs	53	12	6	Germany	U Erlangen	MBA	banking
James Wood	Great A&P Tea	57	7	7	England	Loughborough Coll	—	retailing
Richard D Wood	Eli Lilly	60	37	14	Brazil, IN	Purdue	MBA	marketing
John F Woodhouse	Sysco	56	17	4	Wilmington, DE	Wesleyan	MBA	finance
John W Woods	AmSouth Bancorp	55	17	15	Evanston, IL	U of the South	—	banking
Michael W Wright	Super Valu Stores	49	10	6	Minneapolis, MN	U of Minnesota	JD	legal
William Wrigley	Wm Wrigley Jr	54	30	26	Chicago, IL	Yale	—	marketing
Oscar S Wyatt Jr	Coastal Corp	62	31	31	Beaumont, TX	Texas A&M	—	founder
Herbert J Young	Gibraltar Financial	55	34	25	Los Angeles, CA	—	—	administration
John A Young	Hewlett-Packard	55	28	9	Nampa, ID	Oregon State	MBA	technical
Erwin Zaban	National Service	65	50	14	Atlanta, GA	—	—	administration
Robert H Zalokar	First Virginia Banks	60	31	2	Pittsburgh, KS	U of Kansas	—	banking
Raymond Zimmerman	Service Merchandise	54	26	14	Memphis, TN	—	—	founder
Richard A Zimmerman	Hershey Foods	55	29	3	Lebanon, PA	Pennsylvania State	—	operations
Selig A Zises	Integrated Resources	45	19	19	Brooklyn, NY	—	—	founder
Charles F Zodrow	Roadway Services	64	28	5	Milwaukee, WI	U of Wisconsin	JD	finance
Charles J Zwick	Southeast Banking	60	18	7	Plantsville, CT	U of Connecticut	PhD	finance

[1]Formerly Great Lakes Federal Savings & Loan. [2]Succeeded by F Ross Johnson, 1/1/87.

Compensation (000)				Rank among			Stock owned		1986			% change	
salary + bonus	other	stock gains	total	800 execs	Industry	Rank in industry	%	mkt val (mil)	sales (mil)	profits (mil)	employ (000)	profits	salary + bonus
$488	$27	—	$515	554	consumer products	20 of 23	0.26%	$4.1	$1,089	$ 95.6	5.4	11%	17% %
250	8	$448	706	400	banks	65 of 192	NA	NA	294	22.8	0.8	62	8
272	—	—	272	732	banks	169 of 192	0.37	0.3	485	14.3	1.4	NM	12
500*	—	—	500	565	financial services	21 of 21	0.67	8.8	1,105	45.9	4.9	NM	NA
661	—	—	661	435	banks	72 of 192	0.02	0.4	1,407	148.5	2.8	22	13
353	14	—	367	674	food distributor	22 of 24	34.40	441.7	1,101	65.3	12.7	9	8
650	—	—	650	442	health	23 of 32	0.53	8.0	2,488	–97.3	45.0	NM	27
930	159	—	1,089	219	telecommunications	7 of 19	0.02	2.7	9,362	1,138.4	76.2	6	18
1,027	20	—	1,047	233	banks	30 of 192	39.70	44.7	544	40.4	0.8	168	87
587	23	452	1,062	227	telecommunications	8 of 19	0.17	13.3	5,888	194.0	92.3	169	NA
1,649	38	2,179	3,866	17	electrical equipment	1 of 8	0.04	19.6	35,211	2,492.0	325.5	7	13
1,207	33	459	1,699	97	health	6 of 32	0.14	10.0	3,745	521.1	33.3	1	23
525	10	—	535	533	oil	22 of 29	0.83	1.2	1,473	–124.8	2.5	NM	0
438	2	—	440	622	indus & office svcs	9 of 10	0.33	11.6	1,204	106.0	19.3	21	12
610	28	400	1,038	236	food distributor	8 of 24	4.90	26.5	3,482	31.8	11.3	20	14
931	204	—	1,135	205	retailing	10 of 38	29.70	2,304.2	3,143	227.8	38.4	57	3
755	10	—	765	355	construction	9 of 20	1.30	96.6	7,234	276.7	40.3	38	27
553	10	—	563	504	electric utilities	12 of 73	0.01	0.8	4,843	507.2	23.4	5	12
1,097	30	263	1,390	138	conglomerates	6 of 20	0.10	4.8	6,221	365.3	78.6	–13	–4
549	—	—	549	516	banks	99 of 192	1.15	1.0	1,030	32.5	3.4	201	52
651	31	—	682	422	natural gas	9 of 17	0.41	4.3	1,859	–249.3	5.7	NM	–3
927	17	378	1,322	150	health	9 of 32	0.13	6.6	3,103	309.5	35.0	NM	10
412	25	—	437	625	metals	11 of 12	0.33	2.2	4,333	–152.8	37.5	NM	NA
527	—	—	527	538	retailing	27 of 38	0.66	2.6	1,413	18.7	25.0	2	32
250	3	—	253	751	banks	178 of 192	11.00	27.1	271	26.2	2.0	18	0
1,487	348	204	2,039	71	beverages & tobacco	3 of 11	NA	NA	15,978	1,064.0	127.6	6	10
774	30	—	804	335	retailing	19 of 38	0.21	3.6	2,028	111.1	22.0	8	6
553	—	431	984	264	oil	12 of 29	2.30	21.9	1,355	65.2	8.0	15	13
622	20	619	1,261	168	banks	18 of 192	1.13	6.7	702	64.7	4.7	23	9
1,880	—	2,399	4,279	12	food distributor	1 of 24	1.10	15.1	6,615	56.1	60.0	10	4
1,000	447	1,693	3,140	29	health	1 of 32	0.06	7.4	3,720	558.2	28.6	8	23
457	—	32	489	575	food distributor	19 of 24	0.36	5.7	3,172	58.3	9.9	16	120
485	—	132	617	472	banks	83 of 192	0.46	3.0	524	61.0	4.3	31	7
602	—	81	683	420	food distributor	14 of 24	0.23	4.8	7,905	91.2	25.6	–15	11
507	—	—	507	557	food processor	20 of 23	25.95	272.9	699	53.8	5.6	24	15
940	—	—	940	280	oil	13 of 29	6.90	112.6	6,668	71.6	16.4	–50	12
551	—	—	551	515	banks	98 of 192	0.91	2.0	1,149	56.3	2.5	45	30
920	87	364	1,371	143	computers & elec	7 of 29	0.14	20.3	7,245	523.0	83.0	9	7
527	—	—	527	537	electrical equipment	6 of 8	4.32	51.4	1,283	71.3	19.0	5	10
359	13	—	372	667	banks	144 of 192	0.20	1.1	397	47.7	3.6	19	22
561	7	—	568	502	retailing	25 of 38	9.88	19.3	2,527	–46.9	27.0	NM	0
573	281	—	854	311	food processor	16 of 23	0.05	1.2	2,170	132.8	15.6	18	9
1,008	23	236	1,267	166	financial services	13 of 21	6.40	12.0	830	28.6	3.4	–43	–37
539	—	—	539	527	surface transport	13 of 13	0.27	6.7	1,717	76.5	22.6	1	11
556	6	—	562	508	banks	93 of 192	0.64	4.8	1,066	86.5	7.1	33	34

*Annualized salary. NA: Not available. NM: Not meaningful.

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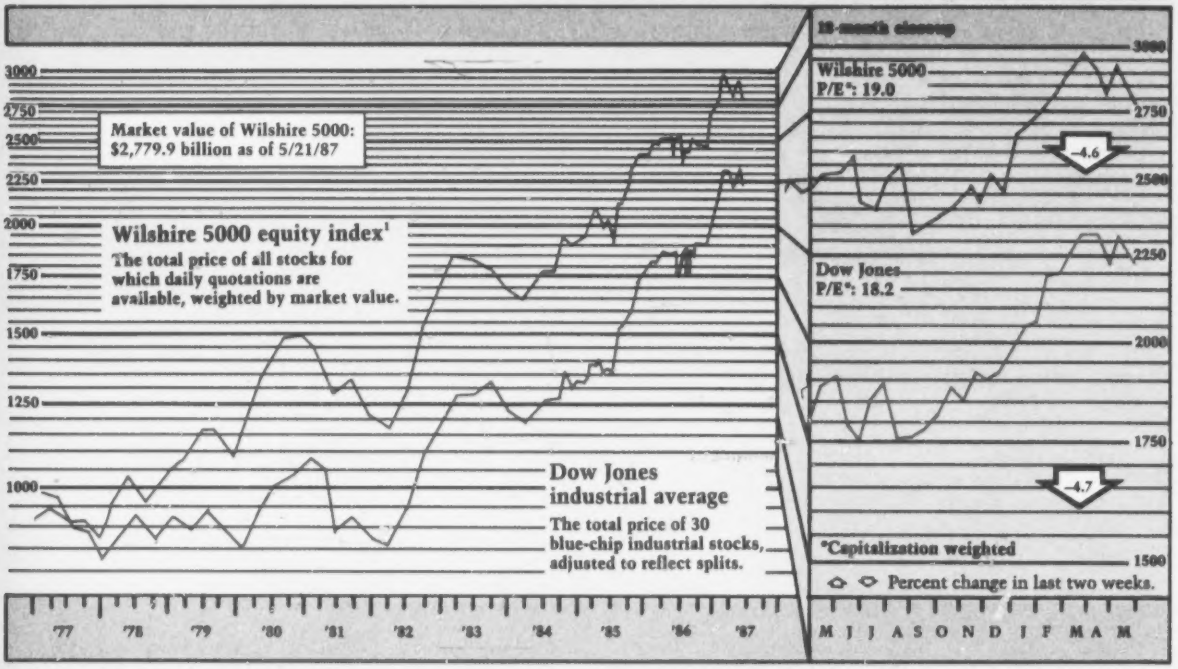
The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



A preoccupied Wall Street loses ground. The Dow industrials are off 7% from the Apr. 6 peak of 2406. Worries about a Federal Reserve-engineered rise in interest rates, renewed inflation, the inability of Latin American borrowers to pay their debts and missiles flying around the Persian Gulf probably contributed to the reversal. Over the last two weeks the Dow fell 4.7%, while the capitalization-weighted Wilshire index of nearly 5,900 issues suffered a similar percentage loss. The latter translates into a decline of more than $140 billion in market value of actively traded securities.

While stock prices were falling, there was no significant change in earnings at large corporations. In the last two weeks The Forbes Sales 500 declined 5% in price, and their price/earnings ratios (based on latest 12-month earnings) fell by the same 5%, from 18.4 to 17.5. Earnings were a bit weaker for smaller firms: The P/E on the Wilshire index rose 3.3%, even though Wilshire prices were off.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–2.5	–2.5	–2.4	–2.6	–0.9	–2.1
in last 52 weeks	12.7	12.3	23.2	14.4	16.9	4.8

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–2.7	0.1	0.2	–1.7	–1.8	–2.8	–1.7	1.0	0.4	–1.9	–2.4	0.8
in last 52 weeks	13.4	33.7	47.9	20.4	12.6	8.1	6.7	41.9	50.6	13.7	12.8	22.2

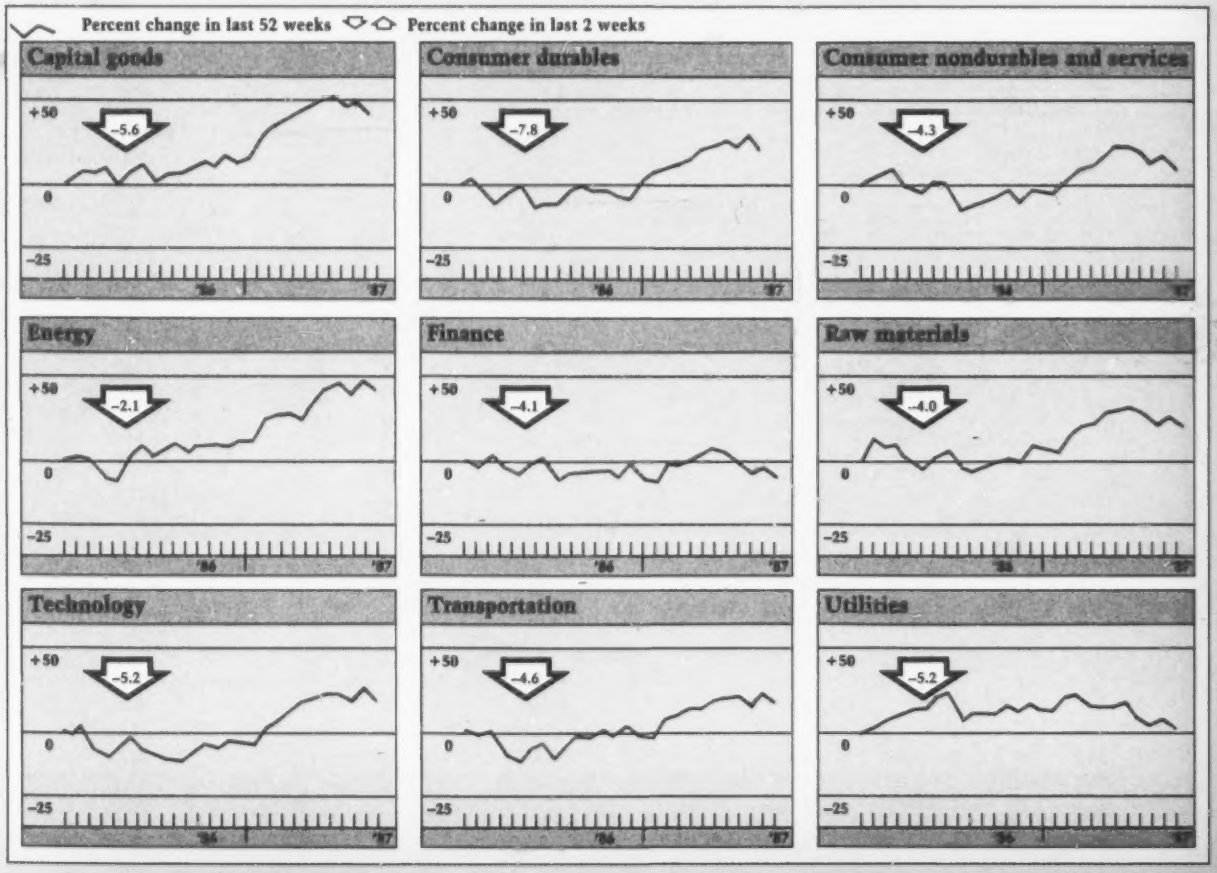
[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 5/21/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Where the Action Is

No place to hide. All nine Wilshire sectors slipped during the last ten trading days, as nervousness over the economy caused investors to give second thoughts to stocks that had been selling on security analysts' dreams rather than on reality. Two weeks ago Computervision was priced at 80 times trailing 12-month earnings, but only 16 times the optimistic forecast for 1988. SafeCard Services was going for 37 times current earnings and 17 times next year's estimate. In the last ten trading days Computervision was off 23%, while SafeCard fell 20%.

The four-week picture is not much better. The only sector to be spared was energy, which inched up 2% on a 12% two-week jump in Texaco. Robert Holmes à Court acquired 6.4% of the badgered oil firm.



What the Analysts Think

Spring fever. Security analysts raised their 1987 earnings estimates for four of nine Wilshire sectors. The sharp increase in the forecast for the consumer durables group was largely caused by higher expectations for Ford, General Motors and Goodyear. In contrast, analysts reduced their estimates for technology stocks by 3.6%.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.59	17.5
1987 estimates	3.45	13.2
1988 estimates	4.04	11.4

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Consumer durables	$3.75	12.7	3.23%	3.46%
2	Raw materials	2.36	15.3	0.76	0.99
3	Energy	2.57	18.2	0.46	0.43
4	Consumer nondurables	2.43	16.3	0.31	0.57
5	Utilities	2.74	9.5	-0.06	-1.69
6	Finance	3.43	8.9	-0.48	-0.98
7	Capital goods	2.46	18.0	-0.48	-1.56
8	Transportation	2.22	14.6	-0.93	-1.32
9	Technology	2.61	16.7	-3.61	-3.19

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 5/21/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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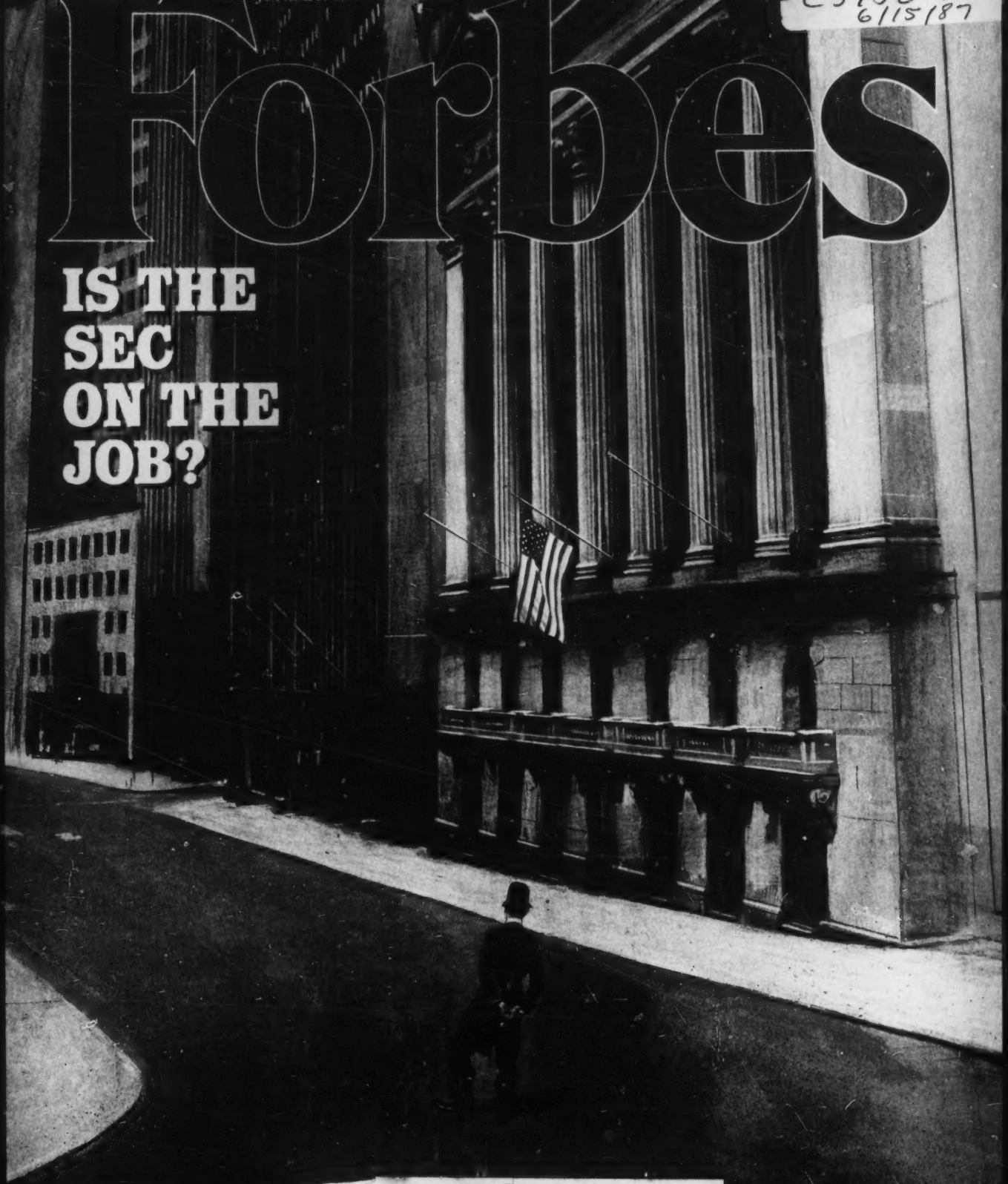
Forbes

IS THE SEC ON THE JOB?



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June 29, 1987 Volume 139 Number 14 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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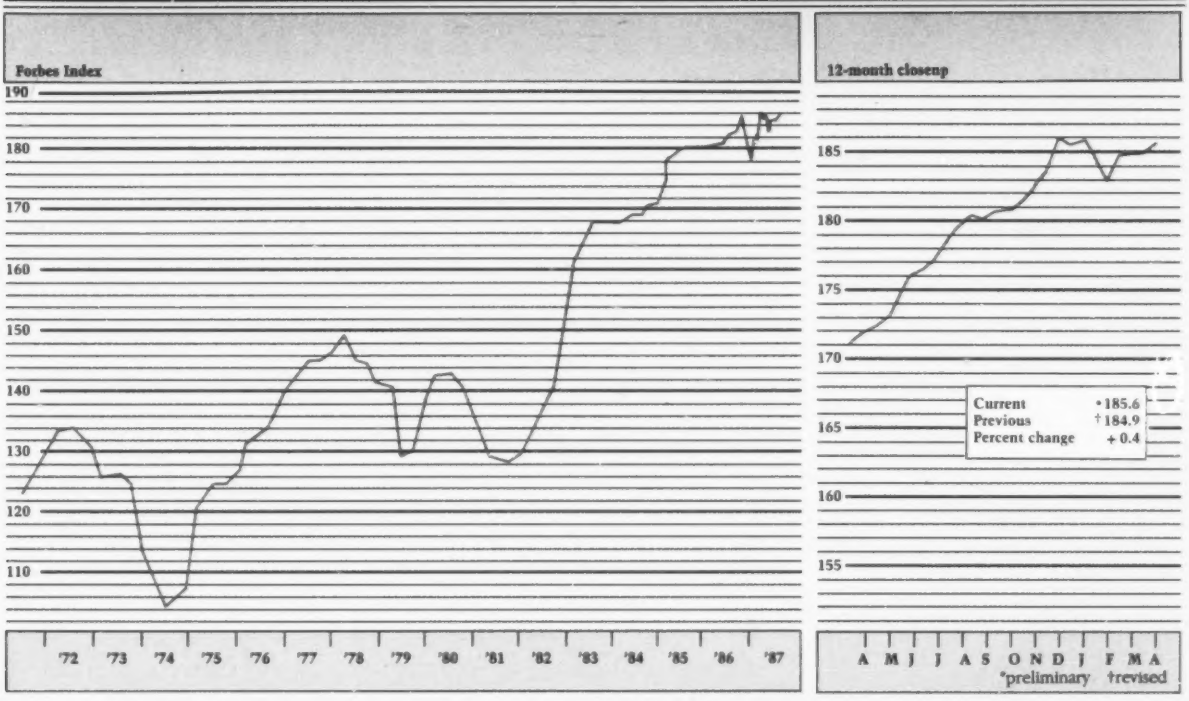
The Forbes Index



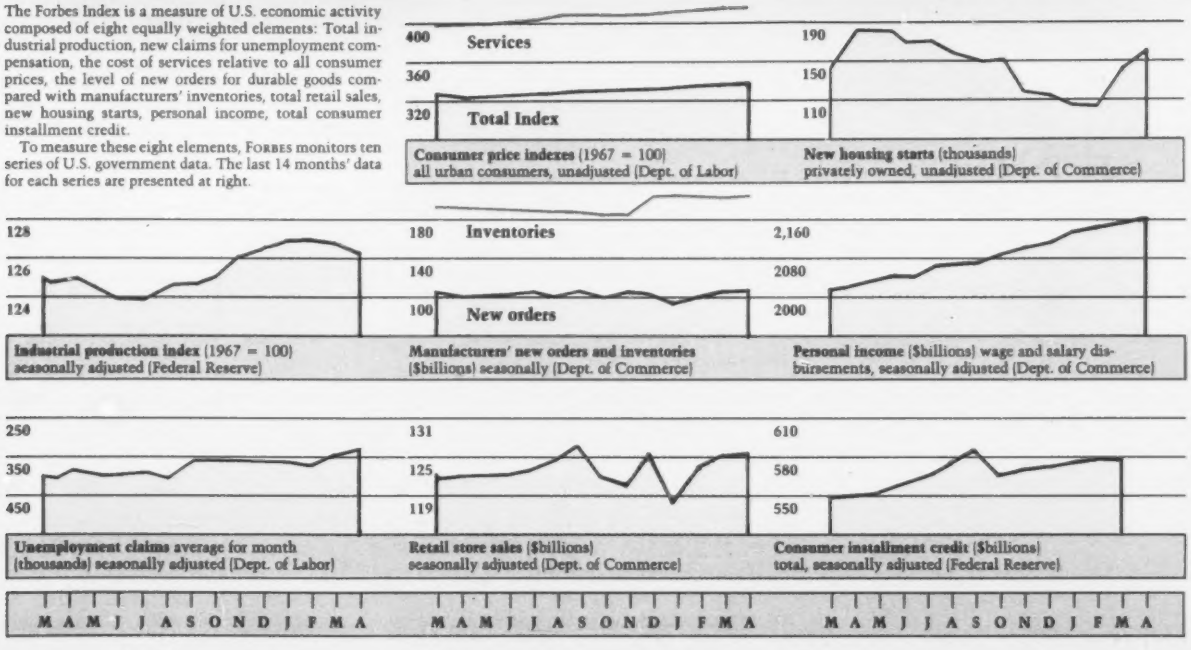
Orders to fill. Preliminary data show the Forbes Index with a 0.4% gain in April, which leaves the Index just 0.2% off its September 1986 alltime high. The economy is getting support from several areas. On the manufacturing front there was a 3.3% jump in the ratio of manufacturers' new orders for durable goods (three months to April) to inventories (April). After seasonal adjustment new orders for durable goods in April were $10.7 billion higher than they were in January. A 0.3% rise in personal income in April also helped push up the Forbes Index.

Despite a 0.1% slip from March to April in the ratio of the cost of services to the total Consumer Price Index (used to calculate the Forbes Index), the cost of living is going up. The overall CPI jumped 0.5% in April.

The Forbes Index Components

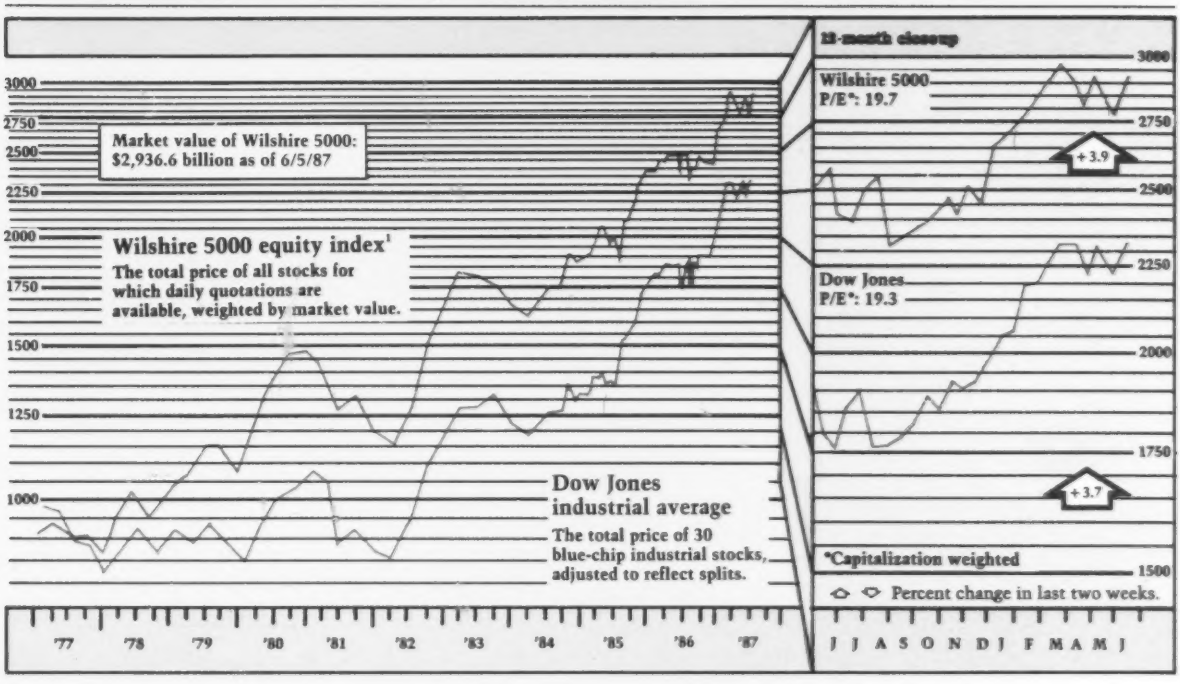
The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Big stocks were on the mend over the last two weeks. Average NYSE trading volume was only 1.37 million shares during the last two weeks, but the NYSE posted a 4% advance. That was enough to compensate for the sharp decline in stock prices in mid-May and leave the average Big Board issue unchanged over the last four weeks. The Dow gained 3.7% over the recent two-week period and finished the four-week stretch with a modest 0.2% increase. The Wilshire index, which now measures nearly 6,000 issues, rose 3.9% during the last two weeks. But the influence of Amex and Nasdaq stocks, which made smaller recoveries over the last two weeks, left the Wilshire index with a small loss for the last four weeks.

The rebound in prices pushed up price-to-earnings multiples. In two weeks the P/Es on the Dow, The Forbes Sales 500 and the Wilshire index all rose around one point. The Wilshire index now sells at 19.7 times latest 12-month earnings while the Dow multiple is 19.3.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–0.2	0.2	0.2	0.0	–1.4	–1.3
in last 52 weeks	15.1	15.4	23.3	17.4	17.5	4.4

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	0.2	1.1	1.7	–0.8	–0.6	–1.2	–0.9	0.1	0.7	–0.2	0.3	0.9
in last 52 weeks	17.1	34.0	50.8	21.0	12.5	9.3	7.5	39.6	50.7	14.6	14.1	23.3

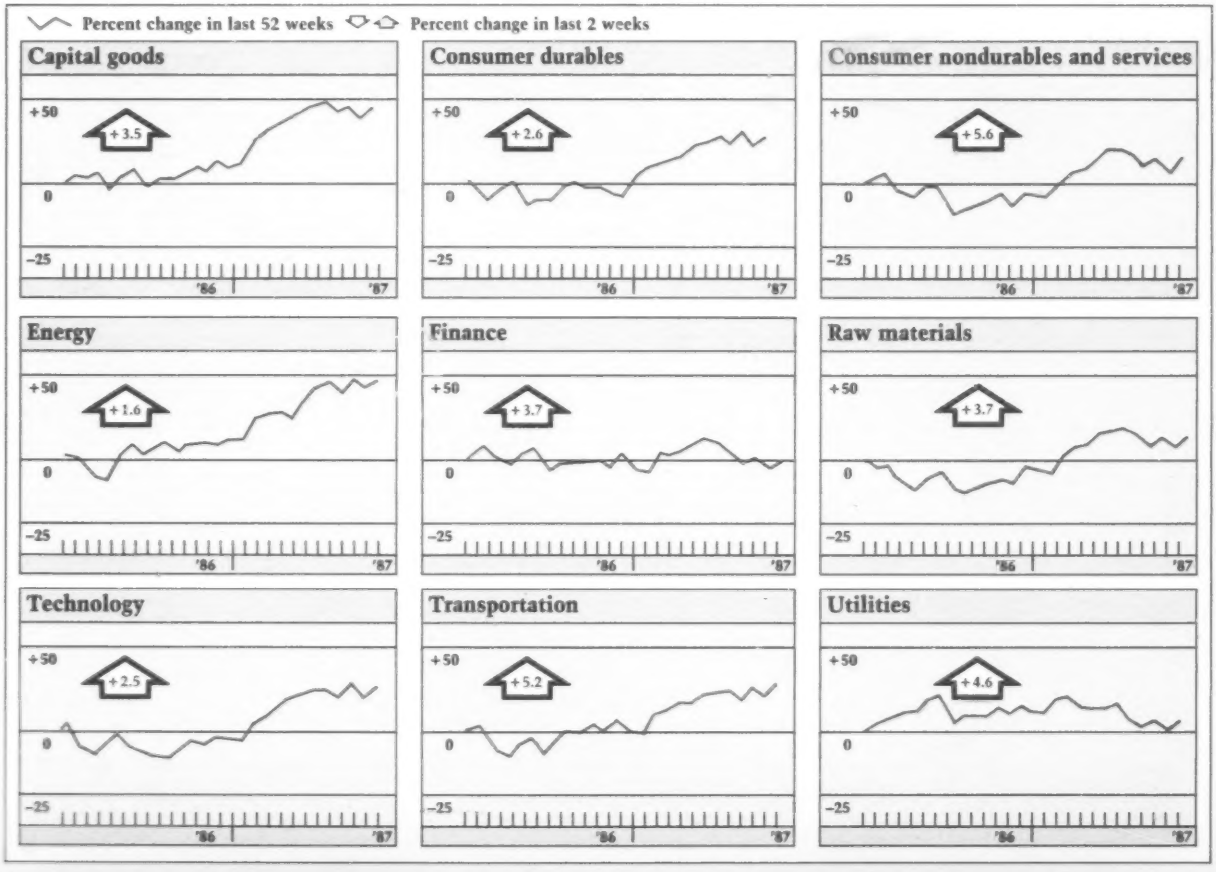
[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 6/5/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gay French

Where the Action Is

Defensive stocks were back in favor. Over the last 52 weeks consumer nondurables have done little more than pace the market. Over the recent two- and four-week periods, however, the group outperformed all other sectors. Leading this group were Southland and Carson Pirie Scott, both of which rebounded on news of sharply higher earnings. Another defensive group, utilities, posted the third-best performance over the two-week stretch, a gain of 4.6%; Portland General was up 12%. With a 5.2% increase over the last two weeks, transportation stocks had the second-best performance. But much of the increase in this often volatile sector was the result of a 26% gain for Allegis, which has been in the news as a restructuring or takeover candidate.



What the Analysts Think

Wall Street remains optimistic about energy, raw materials, consumer durables and consumer nondurables. For the second week in a row security analysts raised their 1987 earnings estimates for these sectors. Leading the pack was energy, where estimates increased 1.7%. The oil stocks now sell at 18.2 times their 1987 forecast.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.52	18.4
1987 estimates	3.34	13.9
1988 estimates	3.92	11.9

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Energy	$2.58	18.2	1.68%	2.17%
2	Raw materials	2.35	15.9	0.82	1.59
3	Consumer durables	3.75	13.2	0.40	8.63
4	Consumer nondurables	2.41	17.1	0.17	0.48
5	Technology	2.62	16.9	-0.07	-3.68
6	Utilities	2.67	10.1	-0.17	-0.23
7	Transportation	2.22	15.5	-0.49	-1.42
8	Finance	3.40	9.3	-1.13	-1.60
9	Capital goods	2.11	19.2	-1.39	-1.86

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 6/5/87. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

Statistical Spotlight

The best way to invest in new savings and loans may be to follow local depositors rather than Wall Street.

Money in the bank

By Zoran Lazarevic

SAVINGS AND LOANS have been converting from mutual to stock ownership at an extraordinary rate. The FORBES New Issues Database turns up 115 thrifts that went public in 1986. That's more initial public offerings than for any other industry.

Those thrift issues, as it happens, were good buys, having outperformed the Standard & Poor's thrift industry stock index by 30% on average since coming out. This thrift index, in turn, was beating the overall market until interest rates turned up in March.

But which characteristics went with the best returns? Is there a pattern? We studied the market performance of the 1986 issues with the help of Adams Cohen Securities Inc., an investment banker for the thrift industry. Robert Adams, the firm's cofounder and managing director, believes in riding on insiders' coattails. The insiders in question are depositors at a mutual institution, who by law must have first crack at subscribing to the stock. "In general, the higher the subscription rate by the thrift's customers, the loftier the stock performance," he says.

That phenomenon is most apparent in the conversions where at least 70% of the stock was grabbed by insiders. Among those, each 10 percentage points of added insider subscription was associated with an improvement of about 11% in market performance. Among conversions with less than 70% insider participation, however, the degree of participation didn't seem to matter.

In short, if the offering is so popular that most of the stock is snapped up by depositors, then the stock is a buy if you can get it near the original offering price. Indeed, some crafty investors try to get in on the good deals by depositing money at thrifts that are considered prospects for conversion.

We\also ran a test of stock performance against the book-to-price ratio. The result will disappoint fans of value investing. There was next to no correlation between book value and subsequent performance.

The table below lists 100%-subscribed thrifts that went public this year. Of the 13, some have moved to big premiums over offering price and may be no bargains now.

"Tangible book value" is book value less intangibles such as goodwill, the excess paid over book value for an acquired company. "Scheduled items" are delinquent loans. The industry average ratio of scheduled items to total assets is 2.4%. ■

Bankers' dozen

These 13 thrifts converted to stock ownership this year, and all were so popular with depositors that outsiders could get stock only in the aftermarket. High depositor participation has been associated with strong stock performance. Some of these, however, have already moved a good ways since the offering.

Company/location	Price offer	Price as of 6/1/87	Price % change	Tangible book value* total ($mil)	Tangible book value* per share	Total assets ($mil)	Scheduled items† to assets
Abraham Lincoln FSB/Dresher, PA	$12.00	$13.50	13%	$11.7	$19.66	$133	1.39%
Anchor Savings/Northport, NY	11.50	10.25	–11	–305.1	–19.91	7,149	0.84
Bristol Federal/Bristol, CT	11.50	12.25	7	20.3	17.41	177	2.34
Cheshire Financial Corp/Keene, NH	14.38	19.25	34	76.7	19.19	339	0.20
Cottage Savings Assoc/Cincinnati, OH	10.00	15.25	53	15.4	17.82	183	0.50
Deerfield Federal/Deerfield, IL	12.50	17.00	36	26.3	22.86	252	0.93
First Federal S&L/Columbia, TN	10.00	12.00	20	8.9	14.91	75	0.06
Home Federal Savings & Loan/Xenia, OH	10.00	12.13	21	13.9	24.17	225	1.60
New Bedford Institution/New Bedford, MA	14.38	16.00	11	171.9	20.47	693	0.22
Saint Paul Bancorp/Chicago, IL	10.00	11.13	11	185.4	15.68	2,438	0.43
Southstate Bank/Brockton, MA	11.00	10.00	–9	37.3	16.20	228	1.30
Southold Savings/Southold, NY	12.00	12.88	7	97.0	17.64	600	0.25
Working Men's Co-op Bank/Boston, MA	11.50	13.75	20	15.0	13.59	210	0.76

*Book value less goodwill. †Delinquent loans.

Sources: Trident Financial Corp.; Adams Cohen Securities Inc.; Kaplan Smith & Assoc.; FORBES.

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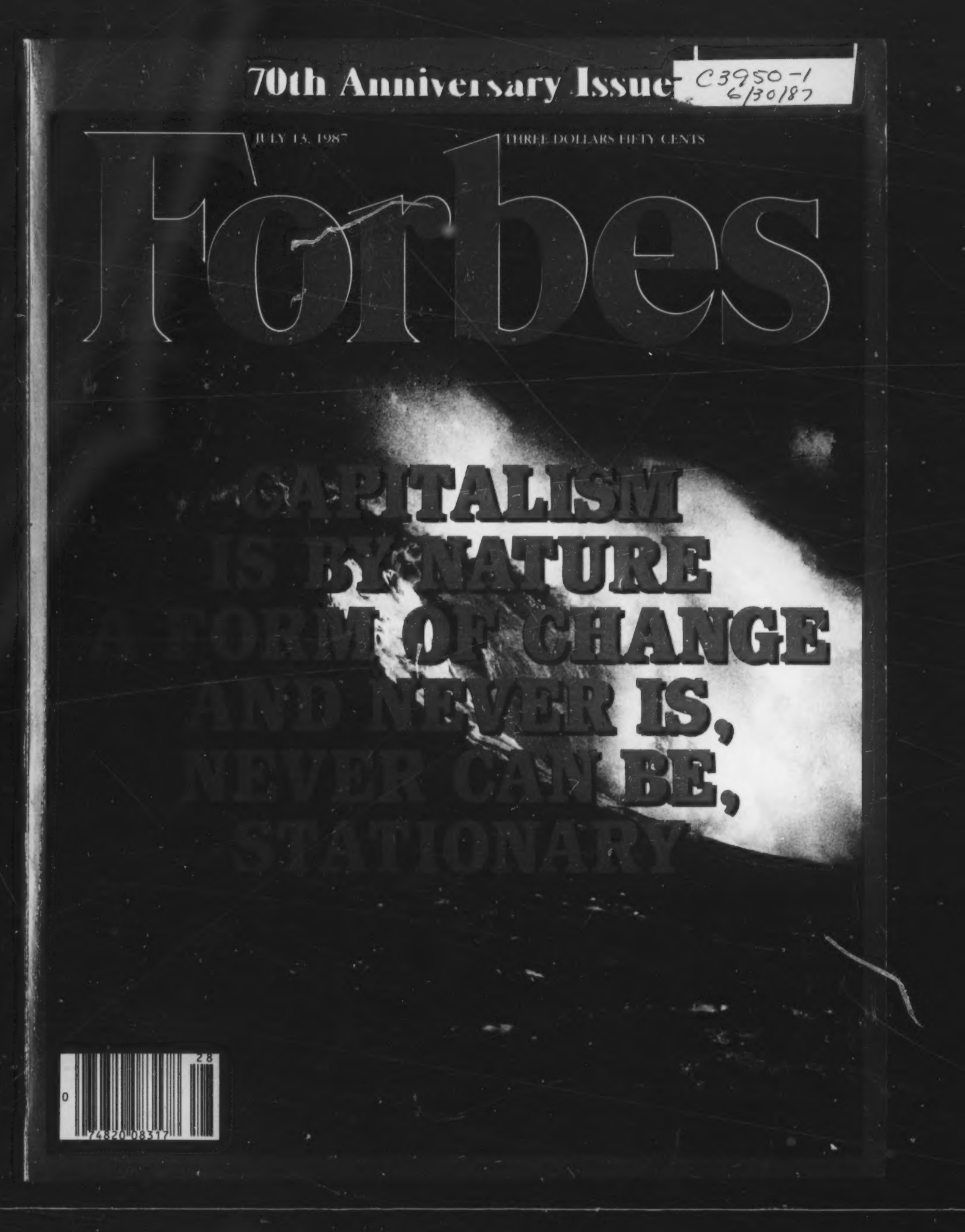

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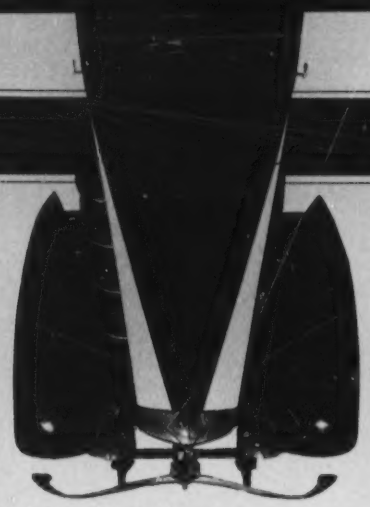

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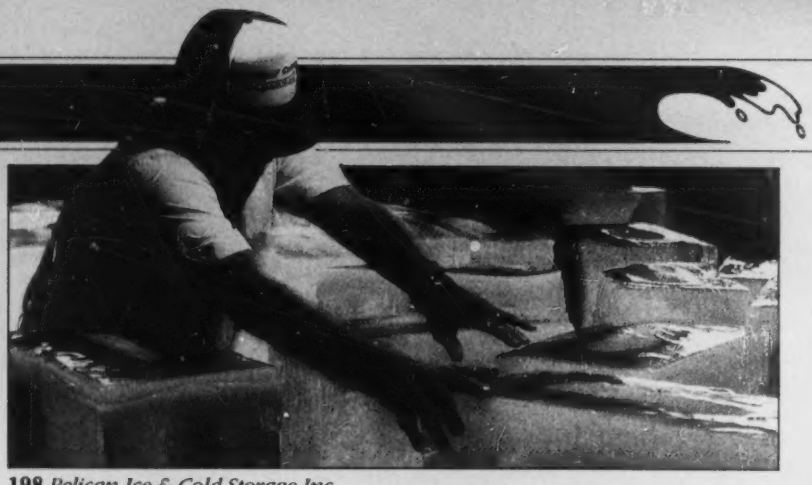

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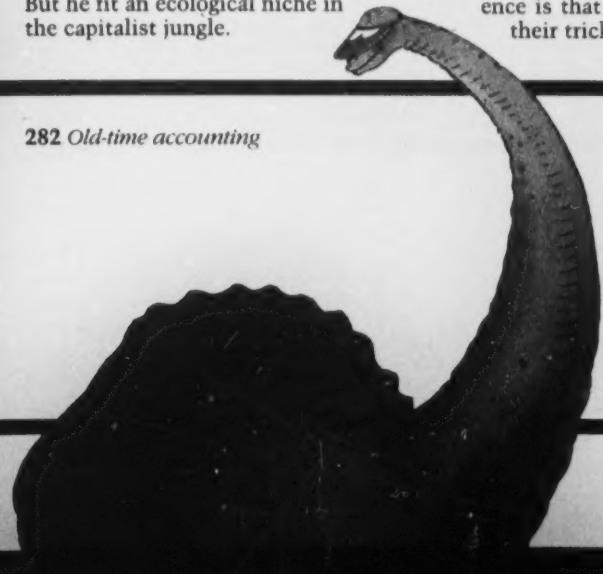

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July 13, 1987 Volume 140 Number 1 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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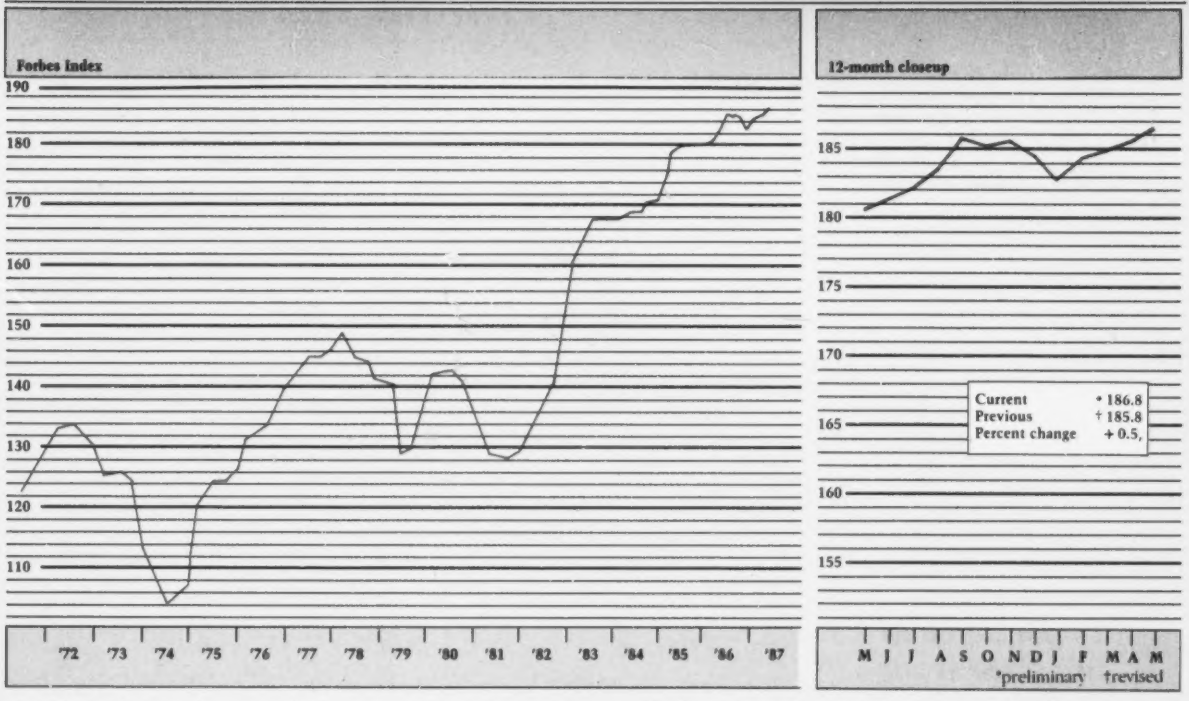
The Forbes Index



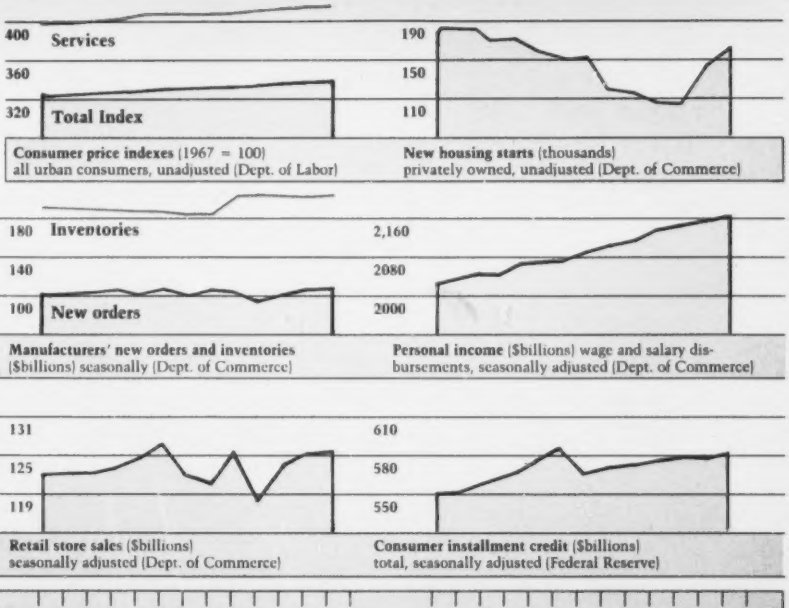
Manufacturing makes a mŏve. Industrial production, which increased only 0.3% in all of 1986, is finally rebounding. The sustained weakness in the dollar is having a measurable impact on exporters as well as manufacturers for the domestic market. Industrial production gained 0.5% in May. This indicator is now up 0.9% since the beginning of the year.

The three-month total of consumer installment credit inched up 0.2% through April, to $1.7 trillion. New unemployment claims were 329,000 in May, pushing the running six-month total for that statistic up 1.2%. Despite the troubling news about unemployment claims, The Forbes Index rose for the fifth consecutive month. Its gain in the most recent two-week period was 0.5%.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Even during the current expansion, big corporations have been dumping more workers than they add. But such is the dynamism of the economy that total employment rises all the while.

The turbulent job market

By Jonathan Clements

DON'T LOOK TO big companies to keep the growing labor force busy. Between 1981 and 1986, The Forbes 500s companies reduced their combined employment by 1.8 million, to 20.6 million. Yet in that same period, total civilian employment rose by 9.2 million.

The heroes of the job market are shown in the chart: small firms and startups, a group Cognetics president and MIT lecturer David Birch calls "the wild and crazy people" (FORBES, *Apr. 28, 1986*). Cognetics, a Cambridge, Mass. consulting firm, has tracked a large sample of private employers over the period 1981-85. Its findings: Startup companies created over 14 million jobs, or 700,000 more jobs than were lost in company failures. Another 4.5 million jobs were generated by companies with fewer than 100 employees at the start of the period.

Many of these firms will never become large employers. "Probably half don't change at all," says Birch. "They're a garage, they're a grocery store, they've got three employees now, they'll have three employees 30 years from now." But there are more and more of them. And a few do take off, becoming big employers of the sort that, in a later generation, may be the shrinkers. Lotus Development Corp. and Compaq Computer, both established in 1982, have 1,600 and 2,600 workers, respectively.

Not all giants are job cutters, of course. Using the Cognetics database and the employment totals reported in The Forbes 500s listings, we hunted for the 40 nongovernmental employers with the largest employment gains since 1981, shown in the table on page 116. Service providers are, not surprisingly, at the top of the list: Wal-Mart, Sears, Limited, McDonald's and Citicorp, for example.

Does that mean the economy is providing nothing but store clerk and janitor openings? A superficial look at the aggregate numbers makes that seem so. According to projections by the Bureau of Labor Statistics, the ten fastest-growing occupations will provide 1.2 million extra jobs by 1995. The projections are led by unglamorous job categories: cashier, nurse, janitor, truck driver. But this does not mean that we are becoming a nation of menial servants. These job categories are already large. In percentage terms, the fastest growth over the next decade is projected in paralegals, computer programmers, systems analysts, medical assistants and computer repairers.

On pages 117 and 119 we show the 40 Forbes 500s companies with the largest shrinkages in employment since 1981. Many of the numbers, of course, reflect divestitures as well as layoffs. But the list is a fair representation of which companies are going through the shudders of restructuring and slimming down.

Union Carbide, under threat of a takeover, sold its consumer products division and axed headquarters employees. ITT, whose image advertisements speak of its "split personality" of a few years ago, has been searching for a more focused identity. It trimmed its telecommunications and baking divisions in the course of selling over 100 companies in the last 5 years, and recently transferred 98,000 jobs to a new telecommunications joint venture with Alcatel.

Of course, these job upheavals are nothing new. Under pressure from raider Jimmy Goldsmith, Goodyear Tire & Rubber cut employment by 16,200 in the past 5 years. Yet, in the early 1920s, Goodyear cut its payrolls from 33,000 to 5,000.

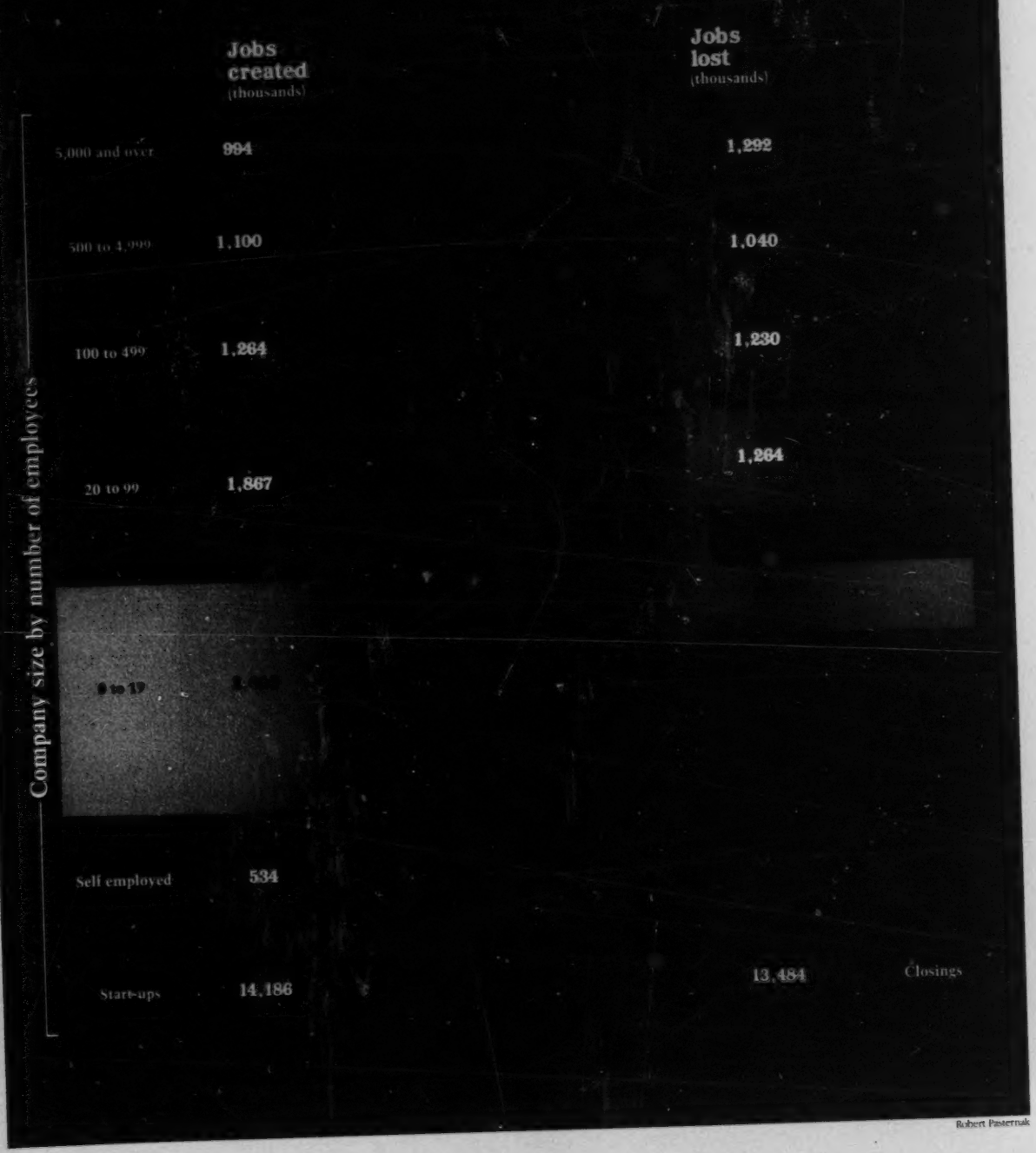
This story of constant and yet consistent change is borne out by the available statistics. One, if imperfect, indication is the quit rate: Workers don't quit in large numbers if comparably good jobs are hard to find. In 1980 the number of workers quitting manufacturing jobs each month was 1.5 per 100 employees, compared with 1.3 two decades ago and 1.9 five decades earlier. Another indicator: In 1983 the median years on the job for a male manufacturing worker was 8.9 years, 1.9 years longer than 20 years earlier.

For as long as the U.S. has been industrialized, its job market has been in flux. Millions of jobs are erased, millions created. This is the essence of Schumpeterian change: creation accompanied by destruction.

With so many jobs created by enterprises that are so small, what role does that leave for the politicians who want to create jobs? Says Birch, "I don't know that the government can do a heck of a lot to change or assist the process, because it's one that's inherently highly fractured, highly diversified."

"The wild and crazy people"

Which employers, on balance, are adding jobs to the economy? Not the biggest ones. The net gains are all coming from entrepreneurial firms, what David Birch of Cognetics calls "the wild and crazy people." The Cognetics figures, for the period 1981-85, are from a database that covers most but not all nongovernmental employment. The gain in self-employment is from the Bureau of Labor Statistics.



Robert Pasternak

The job creators

The biggest corporations, as a group, have been eliminating more jobs in the past five years than they have been adding. But there are exceptions, 40 of which are shown here. Not surprisingly, service providers dominate the list, but technology and defense companies also make a showing. We have excluded companies whose employment growth is due almost entirely to the acquisition of other firms. For publicly traded firms the job counts are worldwide totals as reported in SEC filings. Other data come from Cognetics, Inc., a Cambridge, Mass. consulting firm.

Companies	Employment (thousands) 1981	1986	increase	Reasons
Wal-Mart Stores	34.5	122.5	88.0	Sunbelt retailer adds 100 stores a year over five years.
Sears, Roebuck	395.0	475.7	80.7	Revamps stores, expands in-store financial centers.
IBM	354.9	403.5	48.6	HQ staff increases now being reversed, emphasizes marketing.
Limited	5.0	38.4	33.4	Taps demand for medium-price women's clothing.
Digital Equipment	59.3	91.9	32.6	Sales double as minicomputer maker moves into mainframe territory.
Martin Marietta	37.9	70.0	32.1	Benefits from military programs like MX, Pershing II, Titan III.
McDonald's	126.9	159.0	32.1	Sales up 67% with much expansion abroad.
Citicorp	56.0	84.9	28.9	Expands regional and international banking.
Zayre	32.0	60.0	28.0	Discount stores, off-price specialty chains grow rapidly.
Chrysler	87.8	115.1	27.3	Rebounds from auto slump with success of K cars.
Federal Express	8.1	34.0	25.9	Overnight package delivery booms, revenues quadruple.
Carlson Companies	25.0	50.0	25.0	Private Minneapolis company expands hotels, restaurants.
Wendy's Intl	24.0	49.0	25.0	Rapid expansion leads to doubling of revenues.
McDonnell Douglas	78.4	101.4	23.0	Benefits from strong demand for military and transport aircraft.
Hewlett-Packard	60.5	83.0	22.5	Firm's dramatic employment growth stops after 1983.
Supermarkets General	30.0	52.5	22.5	Expands and remodels East Coast stores, also acquires Angelo's.
Stop & Shop	26.0	47.0	21.0	Adds 82 Bradlees, 34 Stop & Shop supermarkets.
Motorola	73.9	92.3	18.4	Strong demand for two-way radios and semiconductors fuel growth.
Toys "R" Us	9.5	27.1	17.6	Doubles toy stores, adds Kids "R" Us clothing stores.
Wang Laboratories	13.8	31.0	17.2	Despite recent problems, sales triple over period.
Publix Super Markets	28.0	45.0	17.0	Employee-owned Florida grocery chain adds 57 stores.
Rockwell Intl	105.8	122.2	16.4	Benefits from B-1 bomber program, other govt contracts.
Northrop	30.8	46.9	16.1	Grows through defense contracts, Stealth bomber and F-18.
Prudential Insurance	69.7	85.5	15.8	Prudential-Bache subsidiary grows rapidly after 1981 acquisition.
Chi-Chi's	1.5	16.7	15.2	Taps Mexican tastebuds in the suburbs.
California Plant Protection	9.0	23.0	14.0	Private security service firm expands outside California.
Winn-Dixie Stores	61.9	75.6	13.7	Florida-based retailer emphasizes superstores.
Boeing	105.3	118.5	13.2	Benefits from govt contracts like AWACS, commercial jet demand.
Chase Manhattan	33.8	47.0	13.2	Expands regional and investment banking.
Food Lion	6.5	19.0	12.5	Supermarket chain expands from 141 to 388 stores.
Tandy	21.5	33.2	11.7	Largest consumer electronics retailer sells IBM compatibles.
MCI Communications	1.7	13.0	11.3	Sales up sevenfold with breakup of AT&T.
AMR	42.3	53.2	10.9	Expands jet fleet, holds down wages.
Nordstrom	7.1	17.8	10.7	West Coast clothing retailer triples sales, adds 19 stores.
Remedy Temporary Services	20.2	30.0	9.8	Private Calif company taps demand for temporary secretaries.
Albertson's	29.0	38.5	9.5	Supermarket chain adds 40 stores in western, southern states.
RH Macy	45.5	55.0	9.5	Private retailer expands outside East Coast.
Federated Dept Stores	120.8	130.0	9.2	Expands Bloomingdale's, California supermarkets.
Lowe's	6.0	14.8	8.8	Do-it-yourself and contractor supplier picks up in expansion.
State Farm Ins Group	32.0	40.7	8.7	Adds auto claims representatives, data processing personnel.

The job cutters

These Forbes 500s companies showed the largest declines in employment from 1981 to 1986. Many of those that divested operations were also slashing staff in remaining divisions and at headquarters—AT&T, for example.

Companies	Employment (thousands) 1981	1986	decrease	Reasons
AT&T	1,042.1	327.3	714.8	Divests over 24 operating companies, lays off 36,600.
ITT	336.0	124.0	212.0	Sells 100 operations, mostly telecommunications and baking.
Gulf & Western	122.0	19.7	102.3	After divestments focuses on entertainment & financial svcs.
FW Woolwórth	198.8	120.0	78.8	Closes Woolco stores and sells U.K. and Mexico operations.
General Electric	404.0	325.5	78.5	Cuts overseas staff, dumps mining and houseware divisions.
USX	141.6	63.9	77.7	Suffers massive plant shutdowns and 1986 strike.
Mobil	209.6	146.8	62.8	Reduces retailing and oil jobs, discontinues catalog business.
Union Carbide	113.2	51.2	62.0	Divests battery, home and automotive products divisions.
Navistar International	76.4	15.9	60.5	Dumps farm and construction equipment divisions.
Halliburton	112.1	55.9	56.2	Meets depressed oilfield svcs market with layoffs, closures.
Bethlehem Steel	83.8	37.5	46.3	Divests West Coast shipyards, closes steel plants.
Exxon	180.0	135.0	45.0	Sells Reliance Electric, lays off oil workers.
Armco	63.8	21.6	42.2	Converts oil equip division to joint venture, sells aero prods.
Singer	68.5	27.0	41.5	Spins off sewing machine operations, sells temp-control divisions.
Kraft	88.5	51.3	37.2	Changes name from Dart & Kraft, spins off nonfood lines.
Santa Fe Southern Pacific	93.4	56.4	37.0	Cuts 20,000 RR jobs, sells lumber, Sprint and Ticor divisions.
GTE	202.5	167.5	35.0	Transfers 18,000 to joint ventures, closes elec equip plants.
Westinghouse Electric	147.8	117.3	30.5	Scales down power equip mfg, sells lamp & lighting divisions.
Caterpillar	83.5	53.6	29.9	Meets low demand for expensive items with outsourcing & layoffs.

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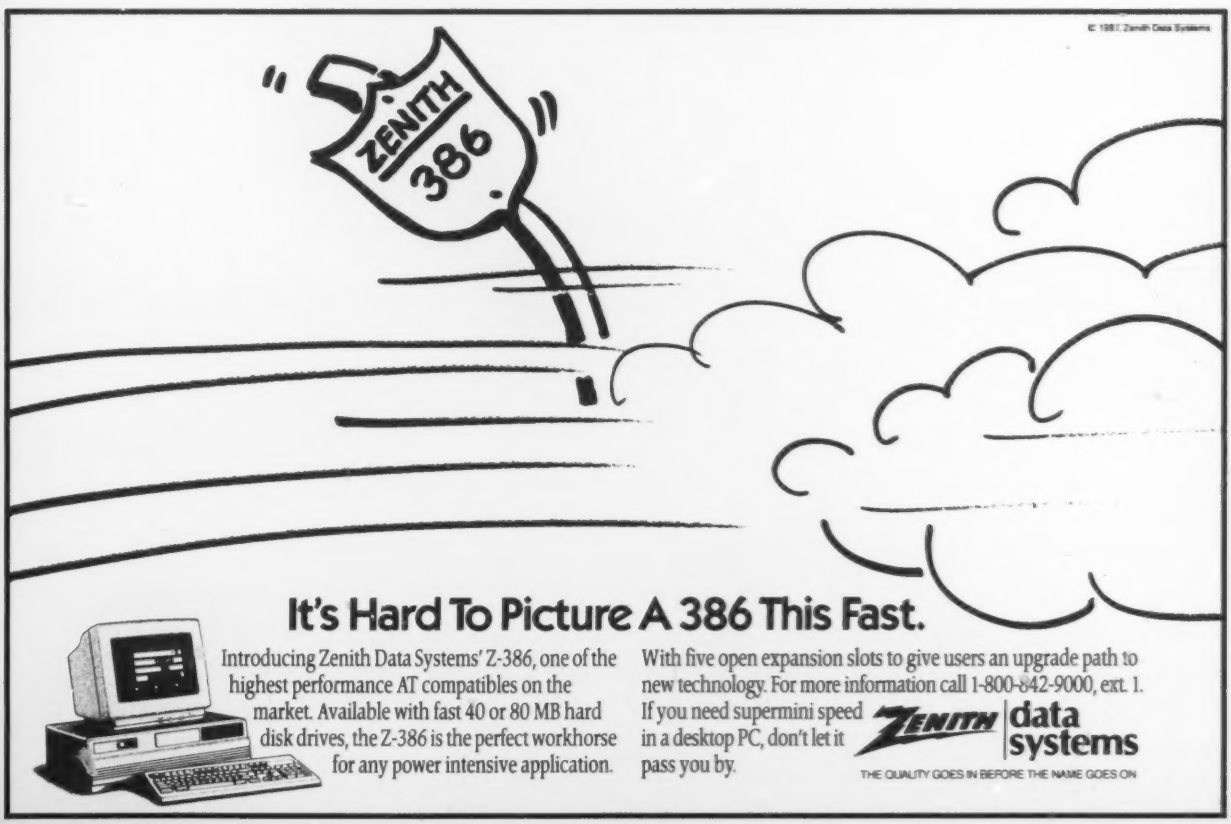
THE QUALITY GOES IN BEFORE THE NAME GOES ON

Companies	Employment (thousands) 1981	1986	decrease	Reasons
Firestone Tire & Rubber	78.9	54.9	24.0	Closes 3 tire plants, sells foam, steel and seat belt divisions.
Atlantic Richfield	53.0	29.1	23.9	Divests East Coast refining, marketing and metals divisions.
McDermott Intl	58.5	35.0	23.5	Sells power equip mfg, valves, cutting tools and metals divisions.
Ford Motor	404.8	382.3	22.5	Shuts 15 plants since 1979, layoffs follow automation.
Primerica	46.8	24.3	22.5	Spins off can operations (Am Can), moves into financial svcs.
Honeywell	97.1	74.7	22.4	Lays off 4,000 at controls divisions, spins off info systems.
Control Data	58.8	36.6	22.2	Spins off commercial credit operations.
Allegheny International	40.1	18.0	22.1	Dumps indus & tech divisions to focus on consumer prods.
Combustion Engineering	46.5	24.5	22.0	Halves power equip operations, sells oil & gas divisions.
Deere	60.9	39.0	21.9	Scales down agricultural equipment manufacturing operations.
Burlington Industries	64.5	44.0	20.5	Sells hosiery, domestics, lighting and two furniture divisions.
IC Industries	58.5	38.2	20.3	Makes 86 divestitures since 1979, incl drugstores, supermarkets.
Litton Industries	77.0	56.9	20.1	Divests business systems, electrical, metal & electronic divs.
BF Goodrich	37.0	19.0	18.0	Transfers 10,000 to Uniroyal joint venture, closes 2 tire plants.
Gould	28.0	10.6	17.4	Dumps battery, electrical divisions to focus on high technology.
Goodyear Tire & Rubber	138.0	121.6	16.4	Shuts three plants & automates to tackle tire glut.
Sun Company	46.9	30.7	16.2	Sells shipbuilding, trucking, information divs & 2 oil refineries.
Ingersoll-Rand	47.4	32.3	15.1	Reduces wage bill through layoffs as revenues decline.
National Intergroup	33.0	18.0	15.0	Sells steel divs. as buyers shift to lower-priced imports.
CSX	70.1	55.2	14.9	Consolidates Seaboard & Chessie rail systems, cuts rail staff.
JP Stevens	39.6	25.0	14.6	Divests printing and four fabric businesses.



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THE QUALITY GOES IN BEFORE THE NAME GOES ON

The ebb and flow of American business—and the dangers of complacency—can be seen in the FORBES lists of the top 100 companies over the last 70 years.

No one is safe

By Peter Newcomb

WHATEVER HAPPENED to Baldwin Locomotive? In 1917 it was one of the 100 largest corporations in America. But its executives insisted there would never be a replacement for the steam locomotive, and the business died when the diesel came along. Nothing is permanent in big business except change.

Similar fates awaited other august industrials of the World War I era: Colorado Fuel & Iron, Lehigh Coal & Navigation, Studebaker. Giants in their day, they brought about their demise with an unwillingness to change. For their stories, and those of other companies that were once great names in business, see the biographies on pages 145 through 160.

John Howard

The 10 pages of tables that follow tell the story of changes at the top. Only a handful of the companies on our 1917 list *(pages 122-123)* survive as large independent companies on the 1945, 1967 and 1987 lists *(pages 126-140)*. The makeup of industry has changed, of course. Once dominated by huge steel and mining industrials, many of the high places on current lists are now held by higher-technology companies like IBM and Merck.

A performance report on pages 142 to 144 shows the current value of $1,000 invested in each of the companies on the 1917 list. We used stock prices based on market closes Dec. 31, 1917, as reported in the *Commercial & Financial Chronicle* and the *Wall Street Journal* (where Du Pont is quaintly listed under "War Stocks"). Some thinly traded stocks were priced with a 30-day or a 52-week average. Liquidating distributions and special cash dividends were counted, but not regular cash dividends. Stock rights distributed to shareholders were assumed sold if a price could be found, with proceeds reinvested in common stock. Shares distributed in spinoffs were continued as separate investments. In certain cases where stock was bought out with cash, proceeds were reinvested in T bills through 1986. But in cases where investment begins after 1917, no interest is credited during the waiting period. ■

The top 100–1917

These are the 96 largest industrial, rail and utility corporations and 4 largest banks of 1917, ranked by assets. Some numbers are not available: In this pre-SEC era, disclosure was not compelled. Ford and a few others were not public in 1917 but went public later. For explanation of rules, see p. 121. Index to companies is on p. 162.

Rank	Company	Assets ($million)	Revenues ($million)	Net income ($million)	Successor company	Corporate changes
1	US Steel	2,450	1,285	224.2	USX	Name changed 1986
2	American Telephone & Telegraph	762	56	3.5	AT&T	Divested 1984
3	Standard Oil of New Jersey	574	412	80.8	Exxon	Name changed 1972
4	Bethlehem Steel	382	299	27.3	Bethlehem Steel	
5	Armour & Co	314	577	21.3	Greyhound	Merged 1970
6	Swift & Co	306	875	34.6	Swift Independent	
7	International Harvester	265	166	14.0	Navistar	Name changed 1986
8	El du Pont de Nemours	263	270	45.6	El du Pont de Nemours	
9	Midvale Steel & Ordnance	256	NA	35.6	Bethlehem Steel	Acquired 1923
10	US Rubber	250	176	15.3	Uniroyal	Taken private 1985
11	General Electric	232	197	26.9	General Electric	
12	International Mercantile Marine	231	42	11.8	Walter Kidde	Acquired 1969
13	American Smelting & Refining	222	441	18.5	Asarco	Name changed 1975
14	Anaconda Copper Mining	216	156	34.3	Atlantic Richfield	Acquired 1977
15	Standard Oil of New York	204	NA	21.8	Mobil	Name changed 1966
16	Phelps Dodge	187	60	22.5	Phelps Dodge	
17	Singer Manufacturing	182	113	–0.7	Singer	
18	Jones & Laughlin Steel	168	130	26.6	LTV	Acquired 1974
19	Westinghouse Electric	165	96	15.4	Westinghouse Electric	
20	American Tobacco	164	90	13.3	American Brands	Name changed 1986
21	Ford Motor	160	275	30.3	Ford Motor	
22	Union Carbide & Carbon	157	NA	9.6	Union Carbide	Name changed 1957
23	Cambria Steel	155	NA	25.7	Bethlehem Steel	Acquired 1923
24	Pacific Gas & Electric	154	20	2.2	Pacific Gas & Electric	
25	BF Goodrich	146	87	10.4	BF Goodrich	
26	Central Leather	145	92	14.4		Liquidated 1953
27	Kennecott Copper	143	23	18.0	Standard Oil	Acquired 1951
28	Pullman	141	49	13.6	Allied-Signal	Acquired 1980
29	Pennsylvania RR	140	255	37.0	Penn Central	Reorganized 1978
30	Consolidation Coal	138	26	8.5		Worthless in 1932
31	American Sugar Refining	137	200E	8.2	Amstar	Taken private 1984
32	Chile Copper	136	19	2.6	Atlantic Richfield	Acquired 1929
33	Cities Service	134	70	25.4	Occidental Petroleum	Acquired 1982
34	General Motors	134	173	27.7	General Motors	
35	American Can	133	134E	11.9	Primerica	Name changed 1987
36	Sears, Roebuck	130	178	14.1	Sears, Roebuck	
37	Texas Co	129	54	19.7	Texaco	Name changed 1959
38	American Car & Foundry	127	108	11.3	ACF Industries	Taken private 1984
39	Standard Oil of California	127	79	19.0	Chevron	Name changed 1984
40	Standard Oil of Indiana	127	190	25.4	Amoco	Name changed 1985
41	Magnolia Petroleum	123	NA	10.2	Mobil	Acquired 1925
42	American Woolen	122	150E	6.8	Textron	Acquired 1955
43	Pittsburgh Coal	118	50	14.1		Liquidated 1966
44	Willys-Overland	113	NA	6.1		Worthless 1936
45	Corn Products Refining	112	100E	11.3	CPC International	Name changed in 1958 merger
46	Republic Iron & Steel	112	78	15.9	LTV	Acquired 1984
47	United Fruit	110	NA	13.0	United Brands	Name changed in 1970 merger
48	Liggett & Myers Tobacco	108	66	7.4	Grand Metropolitan	Acquired 1980

NA: Not available. E: Estimate.

Rank	Company	Assets	Revenues ($million)	Net income	Successor company	Corporate changes
49	Virginia Carolina Chemical	107	90E	8.4	Mobil	Acquired 1963
50	Aluminum Co of America	104	NA	16.4	Aluminum Co of America	
51	Lackawanna Steel	104	77	16.1	Bethlehem Steel	Acquired 1922
52	Gulf Oil	103	71	16.7	Chevron	Acquired 1984
53	Prairie Oil & Gas	103	NA	NA	Atlantic Richfield	Acquired 1969
54	Wilson & Co	102	175E	6.5	LTV	Acquired 1967
55	WR Grace	97	200E	12.0E	WR Grace	
56	Youngstown Sheet & Tube	97	98	38.4	LTV	Acquired 1978
57	Colorado Fuel & Iron	95	40	4.0	CF&I Steel	Worthless 1935
58	Great No Iron Ore Prop	94	9	4.5	Great No Iron Ore Prop	
59	Procter & Gamble	88	129	7.1	Procter & Gamble	
60	Southern California Edison	88		4.3	Southern Cal Edison	
61	Atlantic Gulf & West Indies SS	87	48	9.6	Western Pacific Inds	Taken private 1986
62	Crucible Steel	87	NA	12.3	Colt Industries	Acquired 1968
63	Ohio Oil	85	27	13.6	USX	Acquired 1981
64	New York Central RR	85	216	25.5	Penn Central	Merged 1968
65	American Locomotive	84	82	7.2		Liquidated 1975
66	FW Woolworth	84	98	9.3	FW Woolworth	
67	Cuba Cane Sugar	83	NA	7.3		Worthless 1930
68	Mexican Petroleum	83	18	5.0	Amoco/Exxon/Texaco	Mergers 1932, 1941, 1967
69	American Ag & Chemical	82	NA	5.5	EI du Pont de Nemours	Mergers 1963, 1981
70	Lehigh Coal & Navigation	81	22	3.4		Liquidated 1987
71	National Lead	81	74	4.9	NL Industries	Name changed 1971
72	Utah Copper	81	49	30.0	Standard Oil	Mergers 1923, 1981
73	International Paper	80	NA	6.9	International Paper	
74	US Smelting Refining & Mining	80	35	3.5	UV Industries	Liquidated 1979
75	Goodyear Tire & Rubber	79	111	14.0	Goodyear Tire & Rubber	
76	Union Oil of California	78	34	7.6	Unocal	Name changed 1983
77	Atchison, Topeka & Santa Fe RR	77	166	38.1	Santa Fe Southern Pacific	Merged 1983
78	Vacuum Oil	76	NA	9.3	Mobil	Acquired 1931
79	National Biscuit	74	58	4.6	RJR Nabisco	Merged 1985
80	United Shoe Machinery	74	22	5.4	Emhart	Mergers 1971, 1976
81	Baldwin Locomotive Works	73	98	8.3	Greyhound	Mergers 1965, 1970
82	Ohio Cities Gas	71	NA	3.7	Unocal	Acquired 1965
83	Deere & Co	70	32	4.9	Deere & Co	
84	Studebaker	70	50	3.5	Worthington Industries	Worthless 1935
85	International Nickel	67	34	10.1	Inco	Acquired 1928
86	RJ Reynolds Tobacco	66	71	8.6	RJR Nabisco	Name changed in 1986 merger
87	Southern Pacific RR	66	194	49.1	Santa Fe Southern Pacific	Merged 1983
88	Associated Oil	65	28	3.8	Texaco	Mergers 1967, 1984
89	Cudahy	65	185	1.4	General Host	Acquired 1972
90	Eastman Kodak	64	NA	14.5	Eastman Kodak	
91	P Lorillard	63	NA	5.9	Loews	Acquired 1968
92	Northern States Power	62	7	1.1	Northern States Power	
93	Atlantic Refining	61	86	9.0	Atlantic Richfield	
94	Greene Cananea Copper	59	9	2.5	Atlantic Richfield	Mergers 1929, 1977
95	General Chemical	57	NA	7.7	Allied-Signal	Merged 1985
96	Inland Steel	57	NA	10.5	Inland Steel	
97	National City Bank	757*	NA	NA	Citicorp	Name changed 1974
98	Guaranty Trust	492*	NA	NA	JP Morgan	Name changed in 1959 merger
99	Chase National Bank	466*	NA	NA	Chase Manhattan	Merged 1955
100	National Bank of Commerce	427*	NA	NA	JP Morgan	Acquired 1969

*Deposits. NA: Not available. E: Estimate.

The top 100–1945

These are the largest 100 corporations of 1945, ranked by the market capitalization of all outstanding common stock. The market value of Ford Motor, the only private company on this list, is an estimate. Stock values are as of Dec. 31, 1945. For explanation of rules, see p. 121. For index to companies on the Top 100s, see p. 162.

Rank	Company	Market value	Assets	Revenues	Net income	Successor company
		($million)				
1	American Tel & Tel	3,971	6,766	1,930	177.0	AT&T
2	General Motors	3,335	1,808	3,128	174.4	General Motors
3	El du Pont de Nemours	2,077	1,025	611	77.5	El du Pont de Nemours
4	Standard Oil of New Jersey	1,825	2,532	1,618	154.2	Exxon
5	General Electric	1,381	858	1,466	58.3	General Electric
6	Union Carbide & Carbon	939	428	482	37.9	Union Carbide
7	Humble Oil & Refining	899	560	443	70.9	Exxon
8	Sears, Roebuck	861	528	1,045	35.8	Sears, Roebuck
9	US Steel	707	1,891	1,747	58.0	USX
10	Texas Co	689	854	556	51.9	Texaco
11	Coca-Cola	643	169	149	25.1	Coca-Cola
12	Standard Oil of Indiana	623	946	620	50.3	Amoco
13	Standard Oil of California	618	738	343	55.6	Chevron
14	Chrysler	574	414	995	32.5	Chrysler
15	Eastman Kodak	561	307	302	25.7	Eastman Kodak
16	Gulf Oil	560	653	505	45.2	Chevron
17	International Nickel	547	294	148	25.0	Inco
18	Socony-Vacuum Oil	538	1,044	829	41.5	Mobil
19	Kennecott Copper	528	465	210	30.3	Standard Oil
20	Pennsylvania RR	525	2,223	936	55.5	Penn Central
21	FW Woolworth	518	297	477	23.6	FW Woolworth
22	Ford Motor	500E	816	897	8.6	Ford Motor
23	Commonwealth Edison	467	920	192	25.0	Commonwealth Edison
24	Westinghouse Electric	456	450	685	19.8	Westinghouse Electric
25	Shell Union Oil	438	435	476	28.8	Unocal
26	Schenley Distillers	436	187	215	23.9	Rapid American
27	Procter & Gamble	423	188	343	19.5	Procter & Gamble
28	Allied Chemical & Dye	412	286	268	18.9	Allied-Signal
29	JC Penney	409	194	549	17.4	JC Penney
30	Chesapeake & Ohio RR	407	615	NA	16.3	CSX
31	International Harvester	405	591	622	24.5	Navistar
32	American Tobacco	403	484	275	19.7	American Brands
33	Pittsburgh Plate Glass	392	154	144	13.5	PPG Industries
34	Anaconda Copper Mining	387	616	328	20.4	Atlantic Richfield
35	RJ Reynolds Tobacco	381	315	221	19.7	RJR Nabisco
36	Montgomery Ward	380	369	655	9.5	Mobil
37	Consolidated Edison	380	1,323	298	30.9	Consolidated Edison
38	Bank of America National Trust	372	5,626	NA	23.8	BankAmerica
39	Chase National of NY	352	6,092	NA	17.4	Chase Manhattan
40	International Business Machines	341	134	142	10.9	International Business Machines
41	Norfolk & Western RR	335	567	144	23.5	Norfolk Southern
42	Guaranty Trust	332	3,813	NA	17.1	JP Morgan
43	United Fruit	328	235	NA	18.9	United Brands
44	Singer Manufacturing	322	225	221	14.3	Singer
45	Western Electric	319	464	861	15.1	AT&T
46	National City Bank & Trust	317	5,434	60	16.3	Citicorp
47	Union Pacific RR	308	1,287	492	33.0	Union Pacific
48	Liggett & Myers Tobacco	292	293	193	14.9	Grand Metropolitan

NA: Not available. E: Estimate

The top 100–1945

Rank	Company	Market value	Assets	Revenues	Net income	Successor company
		($million)				
49	General Foods	290	163	307	13.1	Philip Morris
50	Bethlehem Steel	287	881	1,327	34.9	Bethlehem Steel
51	Aluminum Co of America	283	427	89	20.0	Aluminum Co of America
52	Phillips Petroleum	280	317	213	22.6	Phillips Petroleum
53	Pacific Gas & Electric	269	943	160	21.9	Pacific Gas & Electric
54	Atchison, Topeka & Santa Fe RR	260	1,249	529	29.4	Santa Fe Southern Pacific
55	American Can	249	232	242	13.3	Primerica
56	Radio Corp of America	246	160	278	11.3	General Electric
57	Great Atlantic & Pacific Tea	240	231	1,435	12.3	Great Atlantic & Pacific Tea
58	Sinclair Oil	235	456	406	29.3	Atlantic Richfield
59	Swift & Co	228	353	1,308	12.3	Swift Independent
60	Sun Oil	224	197	472	15.7	Sun Co
61	Southern Pacific RR	221	1,149	590	33.1	Santa Fe Southern Pacific
62	National Dairy Products	220	242	633	14.1	Kraft
63	New York Central RR	214	1,735	654	24.4	Penn Central
64	Continental Illinois	214	2,826	NA	15.2	Continental Illinois
65	Paramount Pictures	208	168	158	15.4	Gulf & Western
66	National Biscuit	204	132	205	10.5	RJR Nabisco
67	First National Bank, NY	204	1,011	NA	12.2	Citicorp
68	Owens-Illinois	201	123	167	8.7	Owens-Illinois
69	Dow Chemical	200	129	102	7.0	Dow Chemical
70	National Distillers Products	196	135	180	11.8	National Distillers
71	Phelps Dodge	190	195	138	10.1	Phelps Dodge
72	Borden	189	180	459	12.1	Borden
73	Texas Gulf Sulphur	188	69	34	9.9	CDC (Canada)
74	Continental Oil	185	173	144	15.1	El du Pont de Nemours
75	United Shoe Machinery	184	131	59	7.5	Emhart
76	American Radiator	183	127	NA	5.6	American Standard
77	Great Northern Railway	182	785	200	24.1	Burlington Northern
78	Weyerhaeuser Timber	182	162	61	8.1	Weyerhaeuser
79	SS Kresge	181	168	223	10.7	K mart
80	National Steel	180	261	272	11.1	National Intergroup
81	Loews	174	207	154	12.9	Loews
82	Corn Products	172	119	117	8.6	CPC International
83	Republic Steel	172	413	491	22.9	LTV
84	Inland Steel	171	191	217	9.9	Inland
85	Distillers Corp-Seagram's	165	191	158	13.8	Seagram's
86	Packard Motor Car	163	109	221	1.1	Cooper Industries
87	Sterling Drug	161	85	105	9.9	Sterling Drug
88	Libbey-Owens-Ford Glass	161	57	61	3.1	Trinova
89	Wrigley	157	61	29	5.8	Wrigley
90	Pan American Airways	156	147	76	5.0	Pan Am
91	Timken Roller Bearing	156	65	89	5.3	Timken
92	Bankers Trust Co, NY	152	1,921	NA	10.1	Bankers Trust Co, NY
93	Hercules Powder	151	72	101	4.9	Hercules
94	Standard Brands	150	118	260	9.5	RJR Nabisco
95	Air Reduction	149	83	81	8.2	BOC International
96	Monsanto Chemical	148	80	95	5.3	Monsanto
97	International Shoe	147	89	149	5.5	Interco
98	Ingersoll-Rand	146	70	70	6.2	Ingersoll-Rand
99	Ohio Oil	144	132	83	13.9	USX
100	Chicago, Burlington & Quincy RR	142	662	243	27.4	Burlington Northern

NA: Not available.

The top 100–1967

Companies are ranked below by market value. By this point, IBM had established itself as the most valuable property in U.S. business, having moved up 39 places since the war. The next seven on the list were perennial blue chips. Stock values are as of Dec. 31, 1967. For explanation of rules, see p. 121; for index, see p. 162.

Rank	Company	Market value	Assets	Revenues	Net income	Successor company
		($million)				
1	International Business Machines	35,183	4,661	4,248	526.1	International Business Machines
2	American Telephone & Telegraph	27,262	37,607	13,009	2,049.0	AT&T
3	Eastman Kodak	24,070	1,673	1,742	318.2	Eastman Kodak
4	General Motors	23,398	12,916	20,209	1,793.4	General Motors
5	Standard Oil of New Jersey	14,522	13,853	12,191	1,090.9	Exxon
6	Texaco	11,238	6,363	4,427	692.1	Texaco
7	Sears, Roebuck	8,780	5,285	6,805	321.5	Sears, Roebuck
8	General Electric	8,696	4,852	7,177	338.9	General Electric
9	Polaroid	7,939	275	369	57.3	Polaroid
10	Gulf Oil	7,921	5,892	3,782	504.8	Chevron
11	El du Pont de Nemours	7,318	3,016	3,185	389.1	El du Pont de Nemours
12	Xerox	6,657	794	701	97.2	Xerox
13	Minnesota Mining & Manufacturing	5,080	953	1,153	138.5	Minnesota Mining & Mfg
14	Standard Oil of California	5,070	4,502	2,698	424.0	Chevron
15	Mobil	4,312	5,512	5,254	356.1	Mobil
16	General Telephone & Electronics	4,225	4,511	2,391	198.7	GTE
17	Avon Products	4,085	256	475	65.3	Avon Products
18	Shell Oil	4,037	3,035	2,790	255.2	Shell Oil
19	Procter & Gamble	3,917	1,483	2,439	174.1	Procter & Gamble
20	Standard Oil of Indiana	3,838	3,849	2,709	255.9	Amoco
21	Coca-Cola	3,789	718	1,043	100.5	Coca-Cola
22	International Nickel	3,487	1,023	694	118.2	Inco
23	Ford Motor	3,487	8,090	12,240	621.0	Ford Motor
24	Radio Corp of America	3,340	1,472	2,549	132.4	General Electric
25	Union Carbide	2,962	2,418	2,224	231.0	Union Carbide
26	International Tel & Tel	2,897	2,360	2,121	89.9	ITT
27	American Home Products	2,766	602	987	104.0	American Home Products
28	Westinghouse Electric	2,661	1,932	2,581	119.7	Westinghouse Electric
29	Dow Chemical	2,621	1,705	1,310	121.7	Dow Chemical
30	Chrysler	2,609	3,149	5,650	189.2	Chrysler
31	Caterpillar Tractor	2,465	1,118	1,524	150.1	Caterpillar Tractor
32	Litton Industries	2,464	743	1,172	55.6	Litton Industries
33	Corning Glass Works	2,372	416	435	50.0	Corning Glass Works
34	Phillips Petroleum	2,248	2,678	1,686	144.5	Phillips Petroleum
35	US Steel	2,206	5,750	4,355	249.2	USX
36	Sperry Rand	2,163	1,033	1,487	53.9	Unisys
37	Pacific Gas & Electric	2,092	3,679	600	164.3	Pacific Gas & Electric
38	Bristol-Myers	2,040	446	730	52.0	Bristol-Myers
39	Getty Oil	1,982	1,719	1,160	118.1	Texaco
40	Commonwealth Edison	1,970	2,403	711	131.0	Commonwealth Edison
41	Boeing	1,955	1,445	2,357	76.1	Boeing
42	Goodyear Tire & Rubber	1,954	1,912	2,476	118.5	Goodyear Tire & Rubber
43	Gillette	1,800	349	428	56.6	Gillette
44	RJ Reynolds	1,780	1,205	1,094	137.9	RJR Nabisco
45	General Foods	1,749	929	1,652	98.8	Philip Morris
46	Eli Lilly & Co	1,747	373	408	53.7	Eli Lilly & Co
47	Aluminum Co of America	1,730	1,940	1,373	106.1	Aluminum Co of America
48	American Electric Power	1,720	2,156	524	98.4	American Electric Power

The top 100–1967

Rank	Company	Market value	Assets	Revenues	Net income	Successor company
		($million)				
49	Bank of America	1,684	21,455	1,001	130.2	BankAmerica
50	Johnson & Johnson	1,660	372	526	41.1	Johnson & Johnson
51	JC Penney	1,640	817	2,549	79.1	JC Penney
52	Federated Department Stores	1,628	775	1,412	73.6	Federated Department Stores
53	Occidental Petroleum	1,626	779	831	45.5	Occidental Petroleum
54	Sun Oil	1,611	1,412	1,047	100.6	Sun Co
55	Firestone Tire & Rubber	1,610	1,417	1,815	101.8	Firestone Tire & Rubber
56	Honeywell	1,586	772	914	45.3	Honeywell
57	Union Oil of California	1,566	1,899	1,364	134.2	Unocal
58	Monsanto	1,562	1,865	1,612	112.4	Monsanto
59	Kennecott Copper	1,542	1,075	740	125.4	Standard Oil
60	Chas Pfizer	1,530	658	638	58.2	Pfizer
61	Burroughs	1,520	597	551	34.8	Unisys
62	Bethlehem Steel	1,500	2,555	2,669	170.9	Bethlehem Steel
63	Raytheon	1,487	460	1,106	28.6	Raytheon
64	Texas Utilities	1,476	1,270	338	67.0	Texas Utilities
65	Douglas Aircraft	1,473	850	1,048	–27.6	McDonnell Douglas
66	First National City Bank	1,439	17,497	632	112.7	Citicorp
67	Southern California Edison	1,433	2,469	553	99.3	Southern California Edison
68	Penn Central	1,432	2,481	874	14.0	Penn Central
69	Tenneco	1,414	2,909	1,164	108.1	Tenneco
70	Southern Co	1,395	2,297	522	76.6	Southern Co
71	Cities Service	1,387	1,721	1,296	120.1	Occidental Petroleum
72	Textron	1,365	670	1,445	61.5	Textron
73	Virginia Electric & Power	1,360	1,164	270	54.3	Dominion Resources
74	International Paper	1,337	1,305	1,450	105.2	International Paper
75	Warner-Lambert Pharmaceutical	1,306	321	453	43.2	Warner-Lambert
76	Chase Manhattan	1,291	18,012	654	105.4	Chase Manhattan
77	Columbia Broadcasting	1,290	671	904	52.9	CBS
78	Sterling Drug	1,289	303	449	44.1	Sterling Drug
79	Texas Gulf Sulphur	1,283	413	253	62.1	CDC (Canada)
80	Transamerica	1,259	2,928	1,104	65.4	Transamerica
81	American Cyanamid	1,252	911	953	94.4	American Cyanamid
82	Continental Oil	1,246	2,070	1,749	115.6	El du Pont de Nemours
83	Atlantic Richfield	1,230	1,660	1,094	113.5	Atlantic Richfield
84	United Air Lines	1,213	1,496	1,098	72.8	Allegis
85	National Cash Register	1,186	1,010	955	35.3	NCR
86	Weyerhaeuser	1,183	997	838	79.2	Weyerhaeuser
87	Texas Instruments	1,173	387	569	22.8	Texas Instruments
88	Consolidated Edison	1,169	3,682	780	122.9	Consolidated Edison
89	TRW	1,139	711	1,214	54.2	TRW
90	Olin Mathieson Chemical	1,124	1,163	1,117	66.7	Olin
91	Allied Chemical	1,121	1,494	1,246	89.2	Allied-Signal
92	Georgia-Pacific	1,115	953	659	50.3	Georgia-Pacific
93	FMC	1,110	694	1,010	62.9	FMC
94	Aetna Life & Casualty	1,080	6,244	1,638	38.3	Aetna Life & Casualty
95	Zenith Radio	1,074	283	654	41.0	Zenith Laboratories
96	Florida Power & Light	1,046	981	285	46.9	FPL Group
97	Anaconda	1,037	1,407	1,235	132.4	Atlantic Richfield
98	Amerada Petroleum	1,032	421	219	58.4	Amerada Hess
99	Public Service Electric & Gas	1,019	2,003	388	86.4	Public Service Enterprise Group
100	National Dairy Products	1,014	885	2,252	73.5	Kraft

The top 100–1987

This list of the 100 most valuable U.S. corporations (measured by stock prices on May 31) shows some stability at the top in comparison with the 1967 list (see p. 132). But note upstarts like Digital Equipment, Wal-Mart and Limited. USX, first in 1917, is down to 55th place. For explanation of rules, see p. 121; for index, see p. 162.

Rank	Company	Market value*	Assets	Sales	Net income
		($million)			
1	International Business Machines	96,947	57,814	51,250	4,789.0
2	Exxon	62,466	69,483	70,298	5,360.0
3	General Electric	47,416	34,591	35,211	2,492.0
4	AT&T	27,604	38,883	34,087	314.0
5	General Motors	27,228	72,403	102,814	2,944.8
6	El du Pont de Nemours	27,058	26,733	26,907	1,538.0
7	Ford Motor	22,059	37,696	62,716	3,285.1
8	Merck & Co	21,603	5,105	4,129	675.7
9	Amoco	21,319	23,706	18,281	747.0
10	Digital Equipment	20,437	7,966	8,414	861.6
11	Philip Morris	20,307	17,642	20,681	1,478.0
12	Chevron	19,971	34,583	24,352	715.4
13	Sears, Roebuck	19,207	65,995	44,282	1,351.3
14	Mobil	19,057	39,412	44,866	1,407.0
15	BellSouth	18,286	26,218	11,444	1,588.7
16	Eastman Kodak	18,006	12,896	11,550	374.0
17	Standard Oil	17,339	15,955	9,219	–311.0
18	Hewlett-Packard	16,678	6,391	7,245	523.0
19	Coca-Cola	16,507	8,373	8,669	934.3
20	Wal-Mart Stores	16,491	4,049	12,026	450.1
21	Dow Chemical	15,851	12,242	11,113	741.0
22	Atlantic Richfield	15,554	21,604	14,487	615.1
23	Procter & Gamble	15,396	13,650	16,580	757.0
24	Johnson & Johnson	14,865	5,877	7,003	329.5
25	Minnesota Mining & Manufacturing	14,612	7,348	8,602	779.0
26	American Express	14,531	99,475	16,809	1,250.0
27	Bristol-Myers	13,850	4,183	4,836	589.5
28	Abbott Laboratories	13,759	3,866	3,808	540.5
29	Nynex	13,589	21,805	11,342	1,215.3
30	Bell Atlantic	13,281	21,091	9,921	1,167.1
31	RJR Nabisco	12,708	17,019	15,978	1,064.0
32	American Home Products	12,418	4,175	4,927	778.8
33	Eli Lilly & Co	12,237	4,596	3,720	558.2
34	GTE	12,043	27,402	15,112	1,184.3
35	American Information Technologies	11,953	18,739	9,362	1,138.4
36	Southwestern Bell	11,171	20,300	7,902	1,022.7
37	Pacific Telesis Group	10,979	20,321	8,977	1,079.4
38	Pfizer	10,746	5,164	4,476	660.0
39	American International Group	10,452	21,023	8,876	795.8
40	Kimberly-Clark	10,041	3,676	4,303	269.4
41	McDonald's	10,034	5,969	4,144	479.7
42	US West	9,238	18,747	8,308	924.3
43	Texaco	9,146	34,939	31,613	725.0
44	PepsiCo	9,111	8,029	9,291	457.8
45	Dun & Bradstreet	9,064	3,118	3,114	340.0
46	Squibb	8,992	2,409	1,785	464.3
47	Anheuser-Busch	8,940	5,834	7,677	518.0
48	Waste Management	8,898	2,795	2,018	370.9

*As of May 31, 1987.

The top 100–1987

Rank	Company	Market value*	Assets	Sales	Net income
			($million)		
49	Westinghouse Electric	8,494	8,482	10,731	670.8
50	Upjohn	8,476	2,665	2,291	252.6
51	K mart	7,983	10,578	23,812	598.7
52	ITT	7,951	35,805	16,946	539.5
53	JP Morgan	7,864	76,039	6,672	872.5
54	Kraft	7,846	4,749	8,742	390.1
55	USX	7,778	21,823	14,000	1,593.0
56	Gannett	7,754	3,366	2,801	276.4
57	Xerox	7,727	19,299	12,919	464.5
58	Citicorp	7,724	196,124	23,496	1,058.0
59	JC Penney	7,688	11,188	14,740	530.0
60	Pacific Gas & Electric	7,639	21,002	7,817	1,081.2
61	Limited	7,570	1,377	3,143	227.8
62	Emerson Electric	7,483	4,558	5,156	414.7
63	Kellogg	7,475	2,084	3,341	318.9
64	Union Pacific	7,427	10,863	6,574	–460.2
65	Chrysler	7,368	14,463	22,586	1,403.6
66	Santa Fe Southern Pacific	7,318	11,602	5,631	–137.9
67	Motorola	7,275	4,682	5,888	194.0
68	Rockwell International	7,264	7,629	12,397	634.8
69	Allied-Signal	7,061	11,268	11,794	605.0
70	Sun Co	7,048	11,684	9,376	385.0
71	Boeing	7,018	11,068	16,341	665.0
72	Tenneco	6,978	18,021	14,529	–39.0
73	NCR	6,967	4,015	4,882	336.5
74	SmithKline Beckman	6,890	4,222	3,745	521.1
75	Commonwealth Edison	6,843	19,389	5,479	1,049.6
76	May Department Stores	6,738	6,209	10,376	381.0
77	Southern California Edison	6,643	13,245	5,312	768.6
78	Weyerhaeuser	6,634	11,171	7,234	276.7
79	Southern Co	6,553	20,307	6,847	882.9
80	Aetna Life & Casualty	6,447	66,830	20,483	865.2
81	Monsanto	6,397	8,269	6,879	433.0
82	Occidental Petroleum	6,177	17,467	15,344	172.1
83	Ralston Purina	6,146	4,030	5,696	533.8
84	AMP	6,055	1,787	1,933	164.3
85	United Technologies	5,935	11,092	15,669	72.7
86	HJ Heinz	5,809	3,270	4,546	326.4
87	Capital Cities/ABC	5,750	5,293	4,124	181.9
88	Norfolk Southern	5,609	9,752	4,076	518.7
89	Unisys	5,572	9,409	7,432	–43.4
90	Time Inc	5,546	4,300	3,762	376.4
91	Schering-Plough	5,424	3,001	2,399	265.8
92	Times Mirror	5,382	2,929	2,920	408.1
93	Marion Laboratories	5,349	340	474	71.0
94	Raytheon	5,315	3,556	7,308	393.2
95	Marriott	5,277	4,579	5,267	191.7
96	General Re	5,217	8,677	3,175	305.3
97	Public Service Enterprise Group	5,210	10,578	4,498	378.5
98	Intel	5,167	2,080	1,265	–183.3
99	American Electric Power	5,153	13,592	4,843	507.2
100	Gulf & Western	5,141	12,568	4,007	263.8

*As of May 31, 1987.

How the 1917 stocks performed

How would $1,000 invested in the largest 100 companies of 1917 have fared? Only 29 beat the Dow Jones industrial average ($33,809). Returns for companies whose common wasn't actively traded in 1917 are calculated from later starting dates, as noted. Liquidating and special distributions are counted, regular cash dividends are not.

Rank	Company	Return on $1,000 invested	Notes
1	Associated Oil	378,675	Based on Tidewater Oil, Getty Oil shares received in 1929, 1967 mergers.
2	General Electric	189,854	Includes distributions of Electric Bond & Share, RCA and Boise Cascade.
3	RJ Reynolds Tobacco	183,515	Sea-Land stock received in 1984 distribution bought by CSX 1986.
4	Eastman Kodak	181,234	
5	Mexican Petroleum	164,070	Based on Pan American Pet. & Trans. shares received when acquired 1919.
6	EI du Pont de Nemours	130,464	Includes value of 6 distributions of General Motors stock.
7	National Lead	120,570	
8	Gulf Oil	116,758	Includes Texas Gulf Sulphur distribution 1948. Now hold Chevron shares.
9	Vacuum Oil	115,516	Based on Mobil Oil shares when merged with Standard Oil of NY in 1931.
10	Sears, Roebuck	109,589	
11	Ford Motor	109,096	Starting value based on Ford's buyout of Dodge brothers 1917.
12	General Motors	107,122	Includes value of distributions of Class E and Class H shares.
13	Standard Oil of New Jersey	104,108	Includes distributions in 3 companies.
14	Atlantic Refining	100,828	Merged Richfield Oil 1966.
15	Procter & Gamble	94,809	Initial stock price based on 1917 average.
16	International Paper	92,768	
17	Standard Oil of Indiana	81,027	Includes value of 16 distributions of Standard Oil of New Jersey.
18	National Biscuit	75,368	Investment assumes acceptance of 1985 cash offer from RJ Reynolds 1985.
19	Westinghouse Electric	58,070	RCA stock, received in distribution, bought for cash by GE in 1986.
20	Standard Oil of California	54,036	
21	Union Oil of California	50,725	Includes distribution of Union Exploration Partners units 1985.
22	American Can	50,238	
23	FW Woolworth	49,454	
24	Deere & Co	46,605	Investment started in 1927.
25	Union Carbide & Carbon	44,754	Initial stock price based on Dec. 1917 average.
26	Aluminum Co of America	40,729	Investment started 1918; includes distributions of Alcan, Niagara Mohawk.
27	American Tobacco	40,568	Includes Mobil shares received via Mengel Co distribution 1921.
28	Ohio Oil	39,618	Name changed to Marathon; shares bought for cash by US Steel 1982.
29	National Bank of Commerce	35,853	Based on Guaranty Trust shares received in 1929 merger.
30	Standard Oil of New York	28,026	
31	US Smelting Refining & Mining	27,661	Assumes cash value of Alaska Gold distribution 1975 and liquidation 1979.
32	Corn Products	27,161	Includes Allied Mills stock received in distribution 1936.
33	Magnolia Petroleum	26,462	Investment started 1918.
34	Texas Co	24,652	
35	Goodyear Tire & Rubber	23,992	Initial stock price based on 1917 average.
36	Utah Copper	23,890	Kennecott Copper shares received in 1923 merger bought by Standard Oil 1981.
37	Swift & Co	22,321	Became Esmark in 1973, bought by Beatrice Foods 1984.
38	Guaranty Trust	20,944	Based on Morgan Guaranty shares received in 1959 merger.
39	Cities Service	19,990	Based on Occidental Petroleum preferred shares received in 1982 merger.
40	International Nickel	19,059	Based on Class A stock when common stock reclassified 1974.
41	Atchison, Topeka & Santa Fe RR	18,263	Merged into Santa Fe Industries 1970, Santa Fe Southern Pacific 1983.
42	Pacific Gas & Electric	17,856	
43	Virginia Carolina Chemical	16,462	Based on Mobil Oil shares received in exchange when merged 1963.
44	General Chemical	14,948	Original investment in General Chemical; consolidated to form Allied Chemical 1920.
45	First National City Bank of NY	14,060	
46	American Woolen	14,053	Based on Textron shares received when merged 1955.
47	American Smelting & Refining	13,849	
48	Kennecott Copper	13,691	Received cash upon 1981 buyout by Standard Oil.

How the 1917 stocks performed

Rank	Company	Return on $1,000 invested	Notes
49	Pullman	13,619	Includes distributions of Pullman Transportation, Henley Group.
50	Southern Pacific	12,503	Based on Santa Fe Southern Pacific shares received when merged 1983.
51	BF Goodrich	12,261	
52	Prairie Oil & Gas	12,112	Based on Sinclair Oil shares received when merged with Consolidated Oil 1932.
53	United Fruit	12,020	Based on United Brands common and series A preferred stock received 1970.
54	American Car & Foundry	11,416	Received cash upon 1984 leveraged buyout.
55	P Lorillard	11,405	Based on cash value of warrants, debentures received on Loews merger 1968.
56	Pittsburgh Coal	10,222	Based on shares received in 1966 liquidation.
57	Southern California Edison	10,028	
58	United Shoe Machinery	9,779	Based on Emhart shares received in exchange when acquired 1976.
59	Liggett & Myers	9,518	Received cash for shares when bought by Grand Metropolitan 1980.
60	Chile Copper	9,352	Based on Anaconda shares received in exchange when acquired in 1929.
61	American Sugar	8,730	Received cash for shares when bought by Kohlberg Kravis Roberts 1984.
62	Crucible Steel	8,584	Based on Colt Industries shares received in exchange when merged 1968.
63	Armour & Co	8,527	Investment started 1925 based on Class A stock, recapitalized to common 1934.
64	Ohio Cities Gas	8,094	Price based on Dec. 1917 average; based on value of Unocal shares received 1965 merger.
65	Greene Cananea Copper	8,009	Based on Anaconda shares received in exchange when acquired 1929.
66	US Rubber	7,702	Taken private as Uniroyal 1985.
67	American Telephone & Telegraph	7,106	Based on shares received in 8 companies on 1984 divestiture.
68	Jones & Laughlin Steel	6,787	Investment started 1933; shares bought for cash 1974 by LTV.
69	American Agricultural & Chem	6,753	Based on Continental Oil preferred shares received when acquired 1963.
70	Northern States Power	5,690	
71	Youngstown Sheet & Tube	5,513	Price based on 1917 average; merged, bought by LTV 1978.
72	Inland Steel	5,378	Price based on 1917 average.
73	Cudahy	5,066	Price based on 1917 average; shares bought for cash by General Host 1972.
74	WR Grace	4,273	Investment started 1949.
75	US Steel	4,180	
76	Lackawanna Steel	3,737	Based on Bethlehem Steel stock received in exchange when acquired 1922.
77	Anaconda	3,534	Based on Atlantic Richfield stock received in exchange when acquired 1977.
78	International Harvester	3,270	Price based on Dec. 1917 average.
79	American Locomotive	3,171	Based on cash value of 1975 liquidation.
80	Atl. Gulf & West Indies SS Lines	2,986	Based on cash value of liquidation rights.
81	Singer Manufacturing	2,755	Investment started 1913; includes shares received in 3 distributions.
82	Midvale Steel & Ordnance	2,722	Based on Bethlehem Steel and Midvale stock received when acquired 1923.
83	Phelps Dodge	2,437	
84	Bethlehem Steel	2,421	
85	International Mercantile Marine	1,886	Based on US Lines stock received in exchange when acquired 1943.
86	Central Leather	1,828	Based on cash value of liquidation rights 1953.
87	Cambria Steel	1,695	Price based on 1917 average; return based on Bethlehem Steel received 1923.
88	Chase National Bank	1,072	Based on Chase Manhattan stock received in exchange when acquired 1955.
89	Gt. Northern Iron Ore Properties	1,009	Price based on Dec. 1917 average.
90	Baldwin Locomotive Works	608	Based on Armour & Co stock received in exchange when acquired 1965.
91	Republic Steel	251	Based on LTV stock received in exchange when acquired 1984.
92	New York Central	214	Based on Penn Central stock received in exchange when acquired 1968.
93	Wilson & Co	82	Based on LTV stock received in exchange when acquired 1967.
94	Pennsylvania RR	82	Based on Penn Central stock received in exchange when acquired 1968.
95	Colorado Fuel & Iron	–	Worthless 1935.
96	Consolidation Coal	–	Worthless 1932.
97	Cuba Cane Sugar	–	Worthless 1930.
98	Lehigh Coal & Navigation	–	Worthless 1987.
99	Studebaker	–	Worthless 1935.
100	Willys-Overland	–	Worthless 1936.

Dropout rate for the 100 behemoths of 1917: 78%. So much for the theory that big companies are invulnerable.

It's tough up there

THE FORBES HONOR ROLL of steady companies: American Telephone & Telegraph, Eastman Kodak, E.I. du Pont de Nemours, Ford Motor, General Electric, General Motors, Pacific Gas & Electric, Procter & Gamble, Sears, Roebuck, Southern California Edison, Westinghouse Electric.

These 11 are the only companies from the 100 largest in 1917 to make our 1987 list without a change in name. Another 11 survived, but under new names. Total: 22 survivors.

The other 78 giants from 1917? Some grew, but not fast enough to stay on the list. Some got swallowed by another firm.

The market is a great humbler.

Plenty of what were viewed as blue chips 70 years ago are simply deceased as companies, although some assets may remain: American Woolen, United Fruit, Pennsylvania Railroad. Others were acquired, usually because their assets stood a good chance of being more productive in the hands of new managers. Complacency pushed many giants off the list. Frank Woolworth's clever five-and-dime idea made him a lot of money. His successors stayed too long with his formula. Woolworth has been overtaken by upstarts Wal-Mart and K mart.

Ponder this list: It is a cautionary tale for those who think sheer size makes a company invulnerable. In the end, good management counts for more than big money.

Below, the stories of the 78 dropouts, plus the 11 survivors that changed their names.

As for the honor roll of 11: They would have made an excellent portfolio, up 92-fold in 70 years.

The Top 100 tables begin on page 122, an index to them on page 162, and a stock performance table of the 1917 list on page 142.

Aluminum Co. of America

In 1886 Charles M. Hall, 23, tinkers with chemicals, discovers aluminum smelting process. Rebuffed by other sources of capital, he gets backing from Mellon family to start what is now Alcoa. Growth company for many years. But growth stalls in 1980s as other materials edge into aluminum's markets as aluminum once edged into steel's.

American Agricultural & Chemical

Fertilizer and pesticide firm fails to keep up, merged and remerged. Agrico operations now part of Freeport-McMoRan.

American Can

Formed in 1901 consolidation. On Can's acquisition of his insurance firm, financier Gerald Tsai moves into management in 1982, unloads can factories, and financial services empire is born. Tsai makes astute 1983 purchase of fund management operation, tops this with 1987 purchase of Smith Barney and name change to Primerica. Can factories

now owned by Triangle Industries, a Drexel Burnham creation.

American Car & Foundry

Incorporated New Jersey 1899 in trust formation movement, supplies NYC transit companies with subway cars. Becomes ACF Industries 1954, branches into valves, plastics, energy. In 1984 succumbs to Carl Icahn, who strips most assets, keeps lucrative railcar leasing division.

American Locomotive

Incorporated 1901. Through voracious acquisitions becomes largest rail equipment manufacturer. Diversifies into heat transfer equipment, springs and autos 1920s. Downhill since 1940s: Fails to recognize the significance of the diesel engine. Fragments remain in Cooper Industries.

American Smelting & Refining

Formed 1899 as repository for Guggenheim mining and smelting interests, becomes Asarco 1975. Silver, copper, lead and zinc work suffers in 1980s disinflation epoch. Former chief Ralph Hennebach: "All we need is a little good fortune."

American Sugar Refining

"Domino." Consolidation formed 1891, pays lavish 22% dividend on

equity capital during 1893 recession. Changes name to Amstar 1970, buys power tool firm, goes private 1984.

American Tobacco

James Buchanan Duke signs exclusive contract with inventor of cigarette-rolling machine 1885, merges with competitors 1890 but trust busted in 1911 Supreme Court decision. Name change to American Brands reflects nontobacco acquisitions, 1970s: Master Lock, Jim Beam, Jergen's, others now account for 40% of sales.

American Woolen

Founder (1896) William Wood runs into trouble, succumbs to corruption. Fired by board of directors, commits suicide. Ranked 42 in 1917, descends toward oblivion in post-WWII decline of serge. Conglomerator Royal Little *(see p. 264)* grabs assets in proxy battle 1955, liquidates company.

Anaconda Copper Mining

Amasses global natural resource base: copper in Chile and Mexico, iron in Ontario, nickel in Australia. Net margin 1929: incredible 23%. Managers get complacent. President C. Jay Parkinson in 1968: Company will be "going strong 100 and even 500 years from now." Chilean mines were confiscated by Allende in 1971. Bought for $700 million by Atlantic Richfield, in deal unpresciently praised by FORBES. Arco dumps most of its Anaconda assets in 1985.

American Sugar Refining

Armour & Co.

Philip Armour develops "car line" idea: Wholesales meat to various hamlets directly from refrigerator cars on railroad tracks. By 1903 slaughtering 7.3 million animals a year, second only to Swift, and considered a near-monopoly by trustbusters. Pioneers in boxed beef distribution, but is upstaged by Iowa Beef Processors. Rescued by Greyhound 1970, which unloads it on Con Agra 1983.

Associated Oil

Swallowed in Depression by Tide Water Oil. J. Paul Getty got hold of Tide Water and eventually merged it into his Getty Oil, now part of Texaco.

Atchison, Topeka & Santa Fe

Chartered in Kansas in 1859, by 1890 longest railway in world. Merged 1983 with Southern Pacific to form Santa Fe Southern Pacific.

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Atlantic Gulf & West Indies Steam Ship Lines

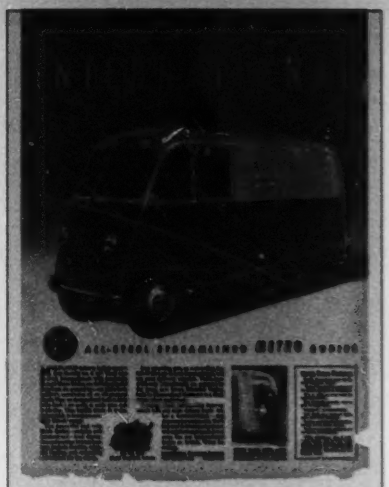
Operating 86-ship fleet in 1917. Troubles begin in 1930s with loss of ships on high seas. In desperation, company integrates backward into oil to keep tankers busy. Scuttled 1953.

Atlantic Refining

Starts life in Pennsylvania oilfields 1870. Merges with Richfield Oil 1966 and adopts name Atlantic Richfield. Acquires Anaconda *(which see)* but dumps most Anaconda assets 1985. Despite recent retrenchment and stock buyback, remains one of most valuable 100 U.S. companies.

Baldwin Locomotive Works

Founded 1831 by Matthias William Baldwin, builder of Old Ironsides. Sales peak 1952. Hidebound executive: "They'll never replace the steam locomotive." Becomes Baldwin-Lima-Hamilton in 1950 merger. Vestigial pieces now in Greyhound.



International Harvester

Bethlehem Steel

Fourth-largest corporation in America 1917. Acquisition spree 1920s: Cambria Steel, Lackawanna Steel, huge Midvale Steel & Ordnance *(all of which see)*. Like rest of steel industry, it was brought to its knees by foreign competition, high labor costs. Major accomplishment so far this year: staying out of Chapter 11.

Cambria Steel

With Lackawanna Steel and Midvale Steel & Ordnance *(both of which see)*, gobbled by Bethlehem early 1920s.

Central Leather

Created in panic of 1893 in attempt at sole-leather monopoly. On 1917 list tops GM and Texaco in assets. But, controlling neither materials nor end product, soon winds up on its uppers. Liquidated 1953.

Chase National Bank

Chartered 1917. No. 3 bank in country with $466 million deposits by 1922. Merger 1955 with Bank of Manhattan creates Chase Manhattan Bank. Lost ground to Citicorp, whose profits trebled while Chase's declined.

Chile Copper

Incorporated 1913 to own mines and mills in Chile. Merged into Anaconda

Copper Mining *(which see)*, gains control 1923, merges operations 1929.

Cities Service

Once major oil and utility holding company, still big in oil until 1982, when put in play by T. Boone Pickens, merges into Occidental Petroleum.

Colorado Fuel & Iron

Born in mountains of Colorado in 1892 when John D. Rockefeller and partners see profits supplying steel to western railroads. But too far from other markets. Stock worthless in 1935 reorganization. Successor CF&I Steel now once again in red.

Consolidation Coal

Pennsylvania-based mines formed in 1912 consolidation. Spends millions on equipment while rest of industry clings to old machines, old markets. Decline of coal hastens liquidation 1967, but, unlike others in industry clinging to old businesses, Consolidation sells out as going business and at good price for shareholders.

Corn Products Refining

Formed in 1903 merger of five starch and glucose refiners. Buys, creates brand names: Thomas' muffins, Hellmann's mayonnaise, Skippy peanut butter, Mazola oil. Adopts name CPC International 1969.

Crucible Steel

Incorporated New Jersey 1900, becomes specialty steelmaker. Bought 1968 by Colt Industries but can't compete with cheap foreign steel. Colt sells a Crucible division to LTV at a loss in 1983.

Cuba Cane Sugar

Huge raw sugar importer. Bankrupt 1930. Reorganized same year. Castro confiscates Cuban assets in 1960s.

Cudahy Co.

Joins beef trust, ordered spun off 1915 in antitrust decree from meat giant Armour *(which see)*. Last family manager, Ed Cudahy, tries to salvage company but can't overcome the burden of badly designed slaughterhouse that was ordered by predecessor. Taken over in 1972 by General Host, where fragments remain.

National Biscuit

Deere & Co.

John Deere opens Illinois plowshare business 1837, goes public 1868. Moves into first place in farm equipment, but agriculture blight leaves Deere out of Top 100 this year. Vicissitudes notwithstanding, remains one of best-run companies and proof that old companies can remain vibrant.

General Chemical

Incorporated 1887, becomes nucleus for Allied Chemical & Dye 1920. Got heavily into oil, out again, bought Bendix in 1981, Signal Cos. 1985, divested Henley Group 1986. Chemicals now only a fourth of total profits.

B.F. Goodrich

Akron, Ohio rubber firm creeps out of post-Depression stagnation in World War II with synthetic rubber production. In 1977 dives into polyvinyl chloride. Eight years and $739 million later, Chairman John D. Ong admits: "The corporate strategy we'd been pursuing since 1977 was a failure."

Goodyear Tire & Rubber

Charles Goodyear, New Haven, Conn. hardware man, emerges from debtor's prison to invent vulcanizing process. But financial troubles force him to sell licenses cheap, and riches accrue to others. One of them: Frank A. Seiberling, who goes into Ohio bicycle tire business 1898, chases auto business. Survives inventory crisis 1920-21 *(see story, p. 270)* and is now nation's largest rubber company. Raider Sir James Goldsmith makes pass at company in 1986. It recapitalizes, sells oil and aerospace lines, closes plants.

W.R. Grace

William Russell Grace emigrates from Ireland as teenager to build South American manufacturing and shipping empire. Elected mayor of New York. Grandson J. Peter Grace takes over 1945 and takes company on 42-year journey out of South America and into 190 new businesses (most since sold).

Guaranty Trust

Acquires National Bank of Commerce 1929, merges with Morgan Bank 1959. Morgan Guaranty forms J.P. Morgan holding co. 1969.

Great Northern Iron Ore Properties

Rail baron James J. Hill buys into Mesabi range in Minnesota. Ore reserves assure steady freight business for his Great Northern. Now a royalty trust, it is sole entry in Top 100 of 1917 to survive on NYSE without capital changes to 1987. Strange, tontine-like trust structure calls for royalties to end (and revert to Burlington) 20 years after death of last of group of children alive when trust created in 1906. One survivor: unidentified male, age 84. How's his health? Company spokesman: "I saw him at noon today and he looked okay."

Greene Cananea Copper

Founded in 1906 by swashbuckling Colonel William C. Greene, who buys copper acreage dirt-cheap from widow of Mexican general. But Greene spends so lavishly on himself and his grand plans that he can't meet his payroll. Troubled company scooped up 1929 by Anaconda *(which see)*.

Gulf Oil

Receives early backing from Willie Mellon of Pittsburgh. Company

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R.J. Reynolds Tobacco

bought in 1984 by Chevron, which keeps oil and discards people.

Inland Steel
Unlike competitors National and Armco, sticks to its knitting. Keeps plants modern and efficient. Reward? Four annual losses, 1982-85.

International Harvester
Created 1902 as combine of Cyrus McCormick's and William Deering's reaper operations to become preeminent farm machinery and truck maker. Seemed impregnable, with leadership in two industries. But decades of timid management weakens it to point of insolvency. Sells farm machinery business to J.I. Case. Still big factor in trucks as Navistar.

International Mercantile Marine
Assembled by J.P. Morgan in 1893 as freight and passenger line, 12th-largest company on 1917 list. "Unsinkable" flagship, 1912: *Titanic*. Turns into U.S. Lines, bought 1968 by Walter Kidde, which later sells it to McLean Industries, which sinks 1986.

International Nickel
Formed in New Jersey 1902, becomes sizable miner of nickel, lead, zinc. Since acquired by Canadian firm of same name (now Inco). Nickel no gold mine these days.

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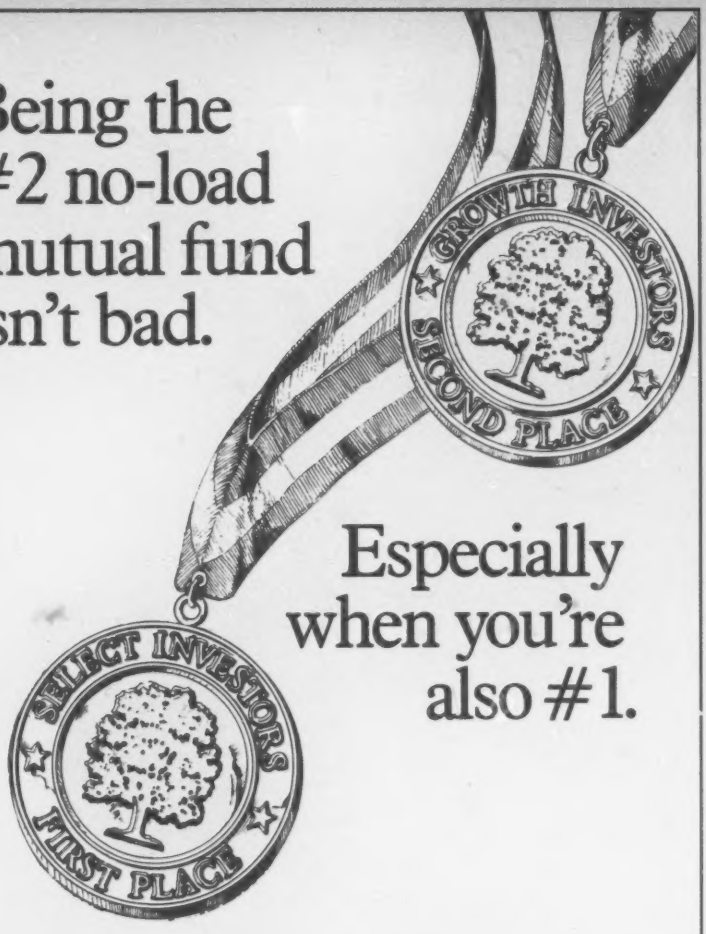

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International Paper
Incorporated 1898 at height of trust movement, with over two-thirds of market. Today remains biggest paper producer and landowner, with sales of $5.5 billion. But in stockholder returns, it is distantly behind upstarts James River and Jefferson Smurfit.

Jones & Laughlin Steel
Dates to 1853 partnership. Flamboyant conglomerator Jimmy Ling wants it for his Ling-Temco-Vought 1974. Antitrust enforcers file suit, demanding LTV divest either its interest in Braniff Airways or Jones & Laughlin. LTV chooses steel. LTV now in Chapter 11 bankruptcy.

Kennecott Copper
Formed 1915 to merge various copper mining companies. Standard Oil buys declining company in 1981, ends writing off most of $2 billion cost.

Lackawanna Steel
Main plant at Lackawanna, N.Y., on Lake Erie. Company scooped up by Bethlehem Steel *(which see)* in latter's merger spree 1920s.

Lehigh Coal & Navigation
Created 1822 by special act of Pennsylvania legislature for production of hard coal, operation of railroad lines. Management fails to recognize threats from oil and gas, makes small,

aimless diversifications. Original businesses mostly dumped by mid-1970s. By 1985 once-proud industrial leader reduced to pathetic chocolate-covered cherry operation in lower Manhattan loft. May have liquidated 1987 (no recent SEC filings). Last known stock quote: ½ bid.

Liggett & Myers

Created in 1911 antitrust bustup of American Tobacco *(which see)*. Stalwart brands L&M, Chesterfield slip, moves into dog food (Alpo) and Pepsi bottling. Acquired by British-owned Grand Metropolitan 1980.

P. Lorillard

Another spinoff from American Tobacco. Has big success with strong Turkish Murad cigarette but fails to adapt as returning doughboys spread blended cigarette habit. Canny Tisch brothers' Loews Corp. takes over company 1968, marrying profit-rich cigarettes (Kent and Newport) to Loews tax-sheltering insurance sub.

Magnolia Petroleum

Organized 1911 as successor to Security Oil. Bought by Standard Oil of N.Y. 1925 (now Mobil).

Mexican Petroleum

Bought by Pan American Petroleum & Transport 1919. Mexican assets confiscated 1938 by Mexican President Lázaro Cárdenas, but remainder of Pan Am turns into valuable shares of Exxon, Amoco and Getty.

Midvale Steel & Ordnance

Assets acquired by Bethlehem Steel 1923. Old Midvale plant still running in Johnstown, Pa.

National Bank of Commerce

Famous for 15 minutes, in panic of 1907: Its attorney presents draft for $2 million at Knickerbocker Trust Co., forcing closure of latter. Acquired 1929 by Guaranty Trust Co. of New York (now part of J.P. Morgan).

National Biscuit

Three baking firms sandwiched together in 1898. Takes control of Shredded Wheat Corp. 1929, Cream of Wheat Corp. 1961, many others. Merges 1981 with Standard Brands (Planters peanuts, Baby Ruth) to become Nabisco Brands. Swallowed by R.J. Reynolds in Wall Street's 1985 acquisition orgy.

Singer Manufacturing

National City Bank

Largest bank in 1922, with $757 million in deposits. Charles E. Mitchell, president in 1920s: "I am above the law." Castigated for using tax dodge to cut tax bill on $1 million salary. Merges with smaller First National Bank 1955 to form First National City Bank, now Citicorp.

National Lead

Formed as National Lead Trust 1887 in consolidation of white lead, litharge, minium and lead smelting firms. Becomes nation's largest producer of paint. Finds more excitement in drilling mud, changes name to NL Industries 1971 and sells Dutch Boy Paints 1976. Oilfield suppliers now in deep recession. Dallas takeover tycoon Harold Simmons picks up controlling interest 1986.

New York Central

Once a blue chip among blue chips. President William H. Vanderbilt, 1882: "The public be damned!" Control seized in 1954 proxy battle by Robert R. Young, who promises better dividends. January 1958 directors suspend quarterly after very bad year. Five days later Young kills himself in billiard room of Palm Beach, Fla. mansion. ICC approves merger with Pennsylvania on condition that the two also accept failing New Haven Railroad. Threesome collapses 1970. Assets now part of Conrail.

Northern States Power

Minnesota powerhouse incorporated 1909 and grows with acquisitions 1917-27. Steady profit producer suffers, loses three senior officers 1986 in "conflict-of-interest" technicality.

Ohio Cities Gas

Formed 1914 as consolidation of Pennsylvania oil producers. Changes name to Pure Oil 1920. Picked up by Unocal 1965.

Ohio Oil

Severed from oil trust in 1911 Supreme Court decision. Winds up with half of gushing Yates field in Texas. Renamed Marathon. Bought by U.S. Steel for $6 billion 1982.

Pennsylvania Railroad

Starts 1846 as line from Lancaster to Harrisburg, soon largest in industry ("The Standard Railroad of the World"), enters era of declining railroads with powerful balance sheet, huge real estate assets. Cuts 1962 deal to merge with New York Central. Regulators hold up approval until Pennsy agrees to take sick New Haven. From then it's all downhill. Three-way merger burdened with huge labor costs, but board pays fat dividends, tolerates book-juggling. Surprise 1970 bankruptcy of rail operations jolts commercial paper market. Real estate and other nonrail assets remain, but stockholders almost wiped out. Big gains go to bondholders

Where are the giants of 1917?

and financier Carl Lindner, who controls surviving Penn Central Corp. Conrail takes over rail business, pays off labor and sells it to public at huge loss 1987.

Phelps Dodge

Forms as consolidation with a smelter and a number of mining companies. Gains reputation as most conservative company in copper industry, avoiding debt and diversifications. In recent metal collapse, busts union after bitter strike. Now in the black after numerous consecutive losses.

Pittsburgh Coal

Incorporated in Pennsylvania in 1916, becomes one of nation's largest producers of bituminous. Merges into Consolidation Coal *(which see)* 1958.

Prairie Oil & Gas

Started in Kansas at turn of century, by 1929 controls 1.5 million acres of leases in Kansas, Oklahoma, Texas and Wyoming. Merges 1932 with Sinclair and Prairie Pipe Line to become Consolidated Sinclair. Latter now part of Atlantic Richfield.

Pullman

Incorporated in 1867 as Pullman Palace Car, manufacturer of deluxe dining and sleeping railcars. In partial liquidation in the 1930s, company suffers slow slide. After cash problems, it dumps all of its rail assets in 1984. Now staging comeback in truck trailers, aircraft seats and materials-handling equipment.

Republic Steel

Incorporated 1899 as Republic Iron & Steel, adds smaller firms in 1930 merger. Joins LTV Corp. slag heap 1984 just in time for latter's 1986 Chapter 11.

R.J. Reynolds Tobacco

Born 1911 in court-ordered disintegration of American Tobacco *(which see)*. Uses profits from Winston, Salem and Camel to buy into everything: oil, shipping, Chinese dinners, fruits, liquor, chicken. Most of these since sold. In latest purchase (Nabisco Brands, 1985), tail wags dog: RJR Nabisco run by cookie types.

Singer Manufacturing

Isaac Merritt Singer gets in on Howe sewing machine patent pool 1850s, establishes network of sales outlets (each with female demonstrator). First great multinational: Kilbowie, Scotland plant producing 10,000 machines a week 1885. Embarks on diversification rampage 1960s. Sewing machine line spun off 1986. What accomplished for shareholders? Stock right where it was 20 years ago.

Southern Pacific

Kuhn, Loeb-backed Edward Harriman buys into company during rail rivalry with J.P. Morgan-backed James J. Hill, who controls Burlington lines. In truce, they combine properties in Northern Securities holding company. But that is dissolved by Supreme Court in 1904 landmark case. History repeats itself: Southern Pacific merges at holding company level with Santa Fe Industries in 1983, but ICC blocks

consolidation of railroads despite the obvious efficiency benefits.

Standard Oil of California

Severed from Standard Oil trust 1911. Changes name to Chevron 1984. Buys Gulf for record $13.3 billion 1986.

Standard Oil of Indiana

Severed from Standard Oil trust 1911. Changes name to Amoco 1985.

Standard Oil of New Jersey

Incorporated 1882; ordered to separate from other Standard Oil companies 1911. Undergoes splashy name change from Esso (means "S.O.") to Exxon (means nothing) 1972. America's most profitable corporation.

Standard Oil of New York

Owned by Standard Oil of New Jersey until breakup of Standard Oil trust 1911. Socony becomes front name after acquisition Vacuum Oil *(which see)*. Adopts current Mobil name 1966.

Studebaker

Buggymaker becomes fourth-largest auto company by 1917. President Albert R. Erskine steers it through 1920-21 recession but stumbles in Depression after paying overly generous dividends. He commits suicide. Weak comeback after WWII. Last Studebaker rolls off line in 1966. Corporate shell becomes Studebaker Worthington. Remnants of company now part of Dresser Industries.

Swift & Co.

New England wholesale butcher Gustavus Swift moves to Chicago mid-1800s to be nearer cattle. Edges into nonmeat products 1960s: ammonia, specialty chemicals, insurance. Seeks new image as Esmark 1973, buys other food companies and leading bra firm (Playtex). Spins off Swift Independent, the original meat business, 1981. Esmark acquired by Beatrice 1984, which is LBO-privatized 1986.

Texas Co.

Incorporates 1902. Changes name to Texaco 1959. Acquires Getty Oil 1984. Sequel? Texaco becomes most valuable (market capitalization: $9.1 billion) company ever to stand in Chapter 11 bankruptcy.

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Where are the giants of 1917?

Union Carbide & Carbon
Formed in Virginia 1898. Remains one of America's largest chemical concerns, although recapitalization under threat of takeover pushes it far down the list in market value.

Union Oil of California
Formed 1890 as consolidation of three oil firms. Attracts takeover player T. Boone Pickens 1985. Escapes with new $4.4 billion debt load. Chairman Fred Hartley to *New York Times*: "We did the best we could in a society that's lost its morality and ethics."

United Fruit
Formed 1899 in merger of steamship and banana plantation firms. Dispersed Central American haciendas put it early into communications with Tropical Radio Telegraph Co.; at one point owns 61 radio stations. Ubiquitous Chiquitas give rise to enormous dividends and attention from Justice Department, which forces divestiture of a bunch of assets. Eli Black seizes control 1970, renames as United Brands and promises big things, but later leaps to his death from Pan Am Building office.

United Shoe Machinery
Created in 1899 trust wave. À la IBM, rents, doesn't sell, machinery, and cleans up on supplies. Subject of half-century-long siege from Justice Department. Beats trustbusters in 1918, loses 1954 case. Justice attacks again 1965, forces divestiture. Irony to anti-trust war: Emhart dumps shoe machinery in 1987 restructuring.

U.S. Rubber
Trust formed by rubber barons 1892. Glove, footwear company notices auto market and becomes leading provider of rubber tires. Household names: Keds, Naugahyde. Becomes Uniroyal 1967. Goes private in management-led buyout 1985. Liquidating ever since: Sells chemical business to Avery for $760 million; merges tire business into Goodrich joint venture 1986. Once again, an incipient monopoly fell of its own weight.

U.S. Smelting & Refining
Incorporated Maine 1906 to mine and refine gold, silver, lead, zinc, copper.

Changes name to UV Industries 1972. Threatened by arbitrager Victor Posner 1979, board votes to liquidate. Some assets sold to Posner's Sharon Steel. Smart investors dump their UV Industries Liquidating Trust certificates immediately: In 1980 Posner exchanges Sharon Steel debentures and cash for certificates. Sharon files Chapter 11 in 1987.

U.S. Steel
Incorporated 1901 in grand J.P. Morgan-financed trust. Perceived as less predacious than oil and tobacco trusts, which between them have only a third the assets in 1909, Steel escapes trustbusting campaign. Grabs Marathon Oil 1981, Texas Oil & Gas 1986, new name USX Corp.

Utah Copper
Meyer Guggenheim, Swiss-born immigrant, and seven sons become dominant investors U.S. copper industry *(see American Smelting)*. Guggenheim Exploration Co. controls Utah Copper with its claims in Bingham Canyon, Utah. Son Benjamin, 47, dies on *Titanic* 1912. Kennecott Copper *(which see)* gains control 1923 and buys out remaining Utah shares 1936.

Vacuum Oil
Incorporated 1866. Owned by Jersey Standard until court-ordered divestitures of 1911. While other fragments of oil trust scurry to integrate operations, Vacuum sticks to lubricating oils. Unable to compete with majors, merges into Mobil 1931.

Virginia Carolina Chemical
Premier fertilizer firm, becomes one of nation's most technologically advanced companies post-WWI. Spoiled by southern provincialism: Refuses to expand outside South, fills key corporate positions with southern blue-bloods. Merges into Socony 1963.

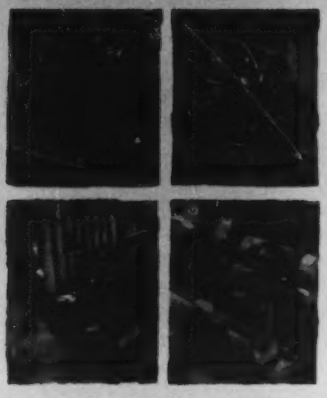
Willys-Overland
Number three automaker 1917, is reorganized in Depression. WWII makes its Jeeps famous. After WWII makes some Willys cars, also Jeeps for civilians. Bought by Kaiser-Frazer 1960s. K-F exits car business. Jeep operations ultimately sold to American Motors and thence to Chrysler.

Wilson & Co.
Old-line meatpacker acquired 1967 by Jimmy Ling's LTV, which slices it into prime cuts for sale to public: shares in Wilson & Co. (meat), Wilson Pharmaceutical and Wilson Sporting Goods; these since taken over by others. Meat side of Wilson reacquired by LTV, but spun off again 1981 as Wilson Foods. Wilson files Chapter 11 in 1983. LTV joins it 1986.

Woolworth
Frank Winfield Woolworth opens "five-cent" store upstate N.Y. 1879. Fails. Opens Lancaster, Pa. five-and-dime. Big success. "Nothing in this store over 10 cents," held until 1932. Sales top $1 billion in 1960. Woolco discount department stores, started in 1962, drain company until closed 1982. Specialty retailing (Kinney Shoes, Foot Locker, Richman Brothers) now accounts for 35% of sales.

Youngstown Sheet & Tube
Incorporated Ohio 1900. Subject of famous Supreme Court decision telling Truman he can't seize steel mills. Acquired 1969 by Lykes Corp. Steel business a disaster and Lykes merges 1978 with ailing LTV, has-been conglomerate that had made fatal mistake getting into steel (Jones & Laughlin *(which see)*, in 1974). LTV adds struggling Republic Steel 1984. LTV, 0 for 3, files Chapter 11 in 1986.

Where to find the top 100s



Ranking the nation's largest corporations over 70 years proves at least one thing: There's no safety at the top. Only 16 companies have survived with showings on all four lists, half under their original names. AT&T and Exxon are the only ones to stay among the nation's top 5 corporations throughout.

Our Top 100s are ranked by assets in 1917 and by market capitalization in 1945, 1967 and 1987. Those lists appear between pages 121 and 140. Stock market performance for the companies on the 1917 list is ranked on pages 142 and 144. Those performance rankings are shown below under "Return."

The column "Successor company" traces the chain of corporate acquisitions and name changes, and therefore may not correspond to the current owner of the underlying assets. International Mercantile Marine, for example, became U.S. Lines, which was acquired by Walter Kidde. Kidde is the successor company shown, even though U.S. Lines was later sold to McLean Industries.

Company	1917	1945	1967	1987	Return	Successor company
Abbott Laboratories	—	—	—	28	—	Abbott Laboratories
Aetna Life & Casualty	—	—	94	80	—	Aetna Life & Casualty
Air Reduction	—	95	—	—	—	BOC International
Allied Chemical & Dye	95	28	91	—	42	Allied-Signal
Allied-Signal	—	—	—	69	—	Allied-Signal
Aluminum Co of America	50	51	47	—	26	Aluminum Co of America
Amerada Petroleum	—	—	98	—	—	Amerada Hess
American Agricultural & Chemical	69	—	—	—	69	El du Pont de Nemours
American Can	35	55	—	—	22	Primerica
American Car & Foundry	38	—	—	—	54	ACF Industries
American Cyanamid	—	—	81	—	—	American Cyanamid
American Electric Power	—	—	48	99	—	American Electric Power
American Express	—	—	—	26	—	American Express
American Home Products	—	—	27	32	—	American Home Products
American Information Technologies	—	—	—	35	—	American Information Technologies
American International Group	—	—	—	39	—	American International Group
American Locomotive	65	—	—	—	79	
American Radiator	—	76	—	—	—	American Standard
American Smelting & Refining	13	—	—	—	47	Asarco
American Sugar Refining	31	—	—	—	61	Amstar
American Telephone & Telegraph	2	1	2	4	67	AT&T
American Tobacco	20	32	—	—	27	American Brands
American Woolen	42	—	—	—	46	Textron
Amoco	40	12	20	9	17	Amoco
AMP	—	—	—	84	—	AMP
Anaconda (Copper Mining)	14	34	97	—	77	Atlantic Richfield
Anheuser-Busch	—	—	—	47	—	Anheuser-Busch
Armour & Co	5	—	—	—	63	Greyhound
Associated Oil	88	—	—	—	1	Texaco
Atchison, Topeka & Santa Fe RR	77	54	—	—	41	Santa Fe Southern Pacific
Atlantic Gulf & West Indies SS Lines	61	—	—	—	80	Western Pacific Industries
Atlantic Refining	93	—	—	—	14	Atlantic Richfield
Atlantic Richfield	—	—	83	22	14	Atlantic Richfield
AT&T	2	1	2	4	67	AT&T

Where to find the top 100s

Company	1917	1945	1967	1987	Return	Successor company
Avon Products	—	—	17	—	—	Avon Products
Baldwin Locomotive Works	81	—	—	—	90	Greyhound
Bank of America National Trust	—	38	49	—	—	BankAmerica
Bankers Trust Co, NY	—	92	—	—	—	Bankers Trust Co, NY
Bell Atlantic	—	—	—	30	—	Bell Atlantic
BellSouth	—	—	—	15	—	BellSouth
Bethlehem Steel	4	50	62	—	84	Bethlehem Steel
Boeing	—	—	41	71	—	Boeing
Borden	—	72	—	—	—	Borden
Bristol-Myers	—	—	38	27	—	Bristol-Myers
Burroughs	—	—	61	—	—	Unisys
Cambria Steel	23	—	—	—	87	Bethlehem Steel
Capital Cities/ABC	—	—	—	87	—	Capital Cities/ABC
Caterpillar Tractor	—	—	31	—	—	Caterpillar Tractor
Central Leather	26	—	—	—	86	
Chase Manhattan	99	39	76	—	—	Chase Manhattan
Chase National Bank	99	39	76	—	88	Chase Manhattan
Chesapeake & Ohio RR	—	30	—	—	—	CSX
Chevron	39	13	14	12	20	Chevron
Chicago, Burlington & Quincy RR	—	100	—	—	—	Burlington Northern
Chile Copper	32	—	—	—	60	Atlantic Richfield
Chrysler	—	14	30	65	—	Chrysler
Citicorp	97	46	66	58	—	Citicorp
Cities Service	33	—	71	—	39	Occidental Petroleum
Coca-Cola	—	11	21	19	—	Coca-Cola
Colorado Fuel & Iron	57	—	—	—	95	CF&I Steel
Columbia Broadcasting	—	—	77	—	—	CBS
Commonwealth Edison	—	23	40	75	—	Commonwealth Edison
Consolidated Edison	—	37	88	—	—	Consolidated Edison
Consolidation Coal	30	—	—	—	96	
Continental Illinois	—	64	—	—	—	Continental Illinois
Continental Oil	—	74	82	—	—	El du Pont de Nemours
Corn Products	45	82	—	—	32	CPC International
Corning Glass Works	—	—	33	—	—	Corning Glass Works
Crucible Steel	62	—	—	—	62	Colt Industries
Cuba Cane Sugar	67	—	—	—	97	
Cudahy	89	—	—	—	73	General Host
Deere & Co	83	—	—	—	24	Deere & Co
Digital Equipment	—	—	—	10	—	Digital Equipment
Distillers Corp-Seagram's	—	85	—	—	—	Seagram's
Douglas Aircraft	—	—	65	—	—	McDonnell Douglas
Dow Chemical	—	69	29	21	—	Dow Chemical
Dun & Bradstreet	—	—	—	45	—	Dun & Bradstreet
El du Pont de Nemours	8	3	11	6	6	El du Pont de Nemours
Eastman Kodak	90	15	3	16	4	Eastman Kodak
Emerson Electric	—	—	—	62	—	Emerson Electric
Exxon	3	4	5	2	13	Exxon
Federated Department Stores	—	—	52	—	—	Federated Department Stores

Company	1917	1945	1967	1987	Return	Successor company
Firestone Tire & Rubber	—	—	55	—	—	Firestone Tire & Rubber
First National Bank, NY	—	67	—	—	—	Citicorp
First National (City) Bank	97	46	66	58	45	Citicorp
Florida Power & Light	—	—	96	—	—	FPL Group
FMC	—	—	93	—	—	FMC
Ford Motor	21	22	23	7	11	Ford Motor
Gannett	—	—	—	56	—	Gannett
General Chemical	95	—	—	—	44	Allied-Signal
General Electric	11	5	8	3	2	General Electric
General Foods	—	49	45	—	—	Philip Morris
General Motors	34	2	4	5	12	General Motors
General Re	—	—	—	96	—	General Re
General Telephone & Electronics	—	—	16	34	—	GTE
Georgia-Pacific	—	—	92	—	—	Georgia-Pacific
Getty Oil	—	—	39	—	—	Texaco
Gillette	—	—	43	—	—	Gillette
BF Goodrich	25	—	—	—	51	BF Goodrich
Goodyear Tire & Rubber	75	—	42	—	35	Goodyear Tire & Rubber
WR Grace	55	—	—	—	74	WR Grace
Great Atlantic & Pacific Tea	—	57	—	—	—	Great Atlantic & Pacific Tea
Great Northern Iron Ore Properties	58	—	—	—	89	Great Northern Iron Ore Properties
Great Northern Railway	—	77	—	—	—	Burlington Northern
Greene Cananea Copper	94	—	—	—	65	Atlantic Richfield
GTE	—	—	16	34	—	GTE
Guaranty Trust Co, NY	98	42	—	—	38	JP Morgan
Gulf Oil	52	16	10	—	8	Chevron
Gulf & Western	—	—	—	100	—	Gulf & Western
HJ Heinz	—	—	—	86	—	HJ Heinz
Hercules Powder	—	93	—	—	—	Hercules
Hewlett-Packard	—	—	—	18	—	Hewlett-Packard
Honeywell	—	—	56	—	—	Honeywell
Humble Oil & Refining	—	7	—	—	—	Exxon
Ingersoll-Rand	—	98	—	—	—	Ingersoll-Rand
Inland Steel	96	84	—	—	72	Inland Steel
Intel	—	—	—	98	—	Intel
International Business Machines	—	40	1	1	—	International Business Machines
International Harvester	7	31	—	—	78	Navistar
International Mercantile Marine	12	—	—	—	85	Walter Kidde
International Nickel	85	17	22	—	40	Inco
International Paper	73	—	74	—	16	International Paper
International Shoe	—	97	—	—	—	Interco
International Telephone & Telegraph	—	—	26	52	—	ITT
ITT	—	—	26	52	—	ITT
Johnson & Johnson	—	—	50	24	—	Johnson & Johnson
Jones & Laughlin Steel	18	—	—	—	68	LTV
K mart	—	—	—	51	—	K mart
Kellogg	—	—	—	63	—	Kellogg
Kennecott Copper	27	19	59	—	48	Standard Oil

Where to find the top 100s

Company	1917	1945	1967	1987	Return	Successor company
Kimberly-Clark	—	—	—	40	—	Kimberly-Clark
Kraft	—	—	—	54	—	Kraft
SS Kresge	—	79	—	—	—	K mart
Lackawanna Steel	51	—	—	—	76	Bethlehem Steel
Lehigh Coal & Navigation	70	—	—	—	98	
Libbey-Owens-Ford Glass	—	88	—	—	—	Trinova
Liggett & Myers (Tobacco)	48	48	—	—	59	Grand Metropolitan
Eli Lilly & Co	—	—	46	33	—	Eli Lilly & Co
Limited	—	—	—	61	—	Limited
Litton Industries	—	—	32	—	—	Litton Industries
Loews	—	81	—	—	—	Loews
P Lorillard	91	—	—	—	55	Loews
Magnolia Petroleum	41	—	—	—	33	Mobil
Marathon Oil	63	99	—	—	28	USX
Marion Laboratories	—	—	—	93	—	Marion Laboratories
Marriott	—	—	—	95	—	Marriott
May Department Stores	—	—	—	76	—	May Department Stores
McDonald's	—	—	—	41	—	McDonald's
Merck & Co	—	—	—	8	—	Merck & Co
Mexican Petroleum	68	—	—	—	5	Amoco/Exxon/Texaco
Midvale Steel & Ordnance	9	—	—	—	82	Bethlehem Steel
Minnesota Mining & Manufacturing	—	—	13	25	—	Minnesota Mining & Manufacturing
Mobil	15	18	15	14	30	Mobil
Monsanto (Chemical)	—	96	58	81	—	Monsanto
Montgomery Ward	—	36	—	—	—	Mobil
JP Morgan	—	—	—	53	—	JP Morgan
Motorola	—	—	—	67	—	Motorola
National Bank of Commerce	100	—	—	—	29	JP Morgan
National Biscuit	79	66	—	—	18	RJR Nabisco
National Cash Register	—	—	85	73	—	NCR
National City Bank & Trust	97	46	—	—	47	Citicorp
National Dairy Products	—	62	100	—	—	Kraft
National Distillers Products	—	70	—	—	—	National Distillers
National Lead	71	—	—	—	7	NL Industries
National Steel	—	80	—	—	—	National Intergroup
NCR	—	—	85	73	—	NCR
New York Central RR	64	63	—	—	92	Penn Central
Norfolk Southern	—	—	—	88	—	Norfolk Southern
Norfolk & Western RR	—	41	—	—	—	Norfolk Southern
Northern States Power	92	—	—	—	70	Northern States Power
Nynex	—	—	—	29	—	Nynex
Occidental Petroleum	—	—	53	82	—	Occidental Petroleum
Ohio Cities Gas	82	—	—	—	64	Unocal
Ohio Oil	64	99	—	—	28	USX
Olin Mathieson Chemical	—	—	90	—	—	Olin
Owens-Illinois	—	68	—	—	—	Owens-Illinois
Pacific Gas & Electric	24	53	37	60	42	Pacific Gas & Electric
Pacific Telesis Group	—	—	—	37	—	Pacific Telesis Group

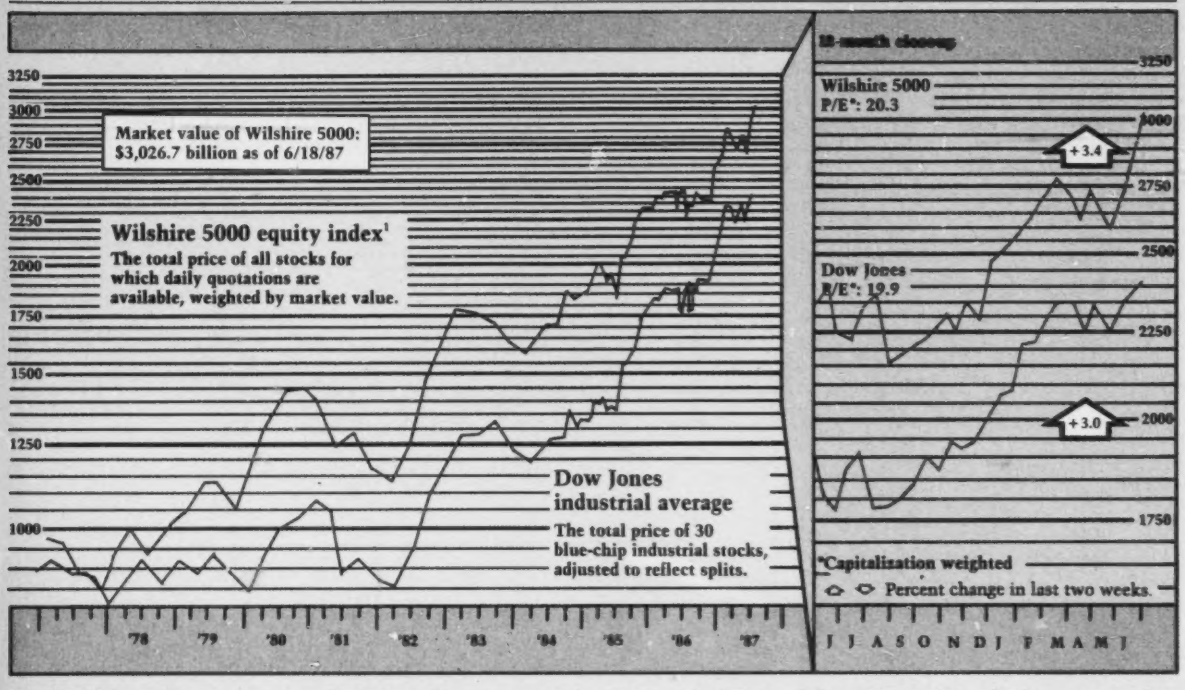
Where to find the top 100s

Company	1917	1945	1967	1987	Return	Successor company
Packard Motor Car	—	86	—	—	—	Cooper Industries
Pan American Airways	—	90	—	—	—	Pan Am
Paramount Pictures	—	65	—	—	—	Gulf & Western
Penn Central	—	—	68	—	—	Penn Central
JC Penney	—	29	51	59	—	JC Penney
Pennsylvania RR	29	20	—	—	94	Penn Central
PepsiCo	—	—	—	44	—	PepsiCo
Pfizer (Chas)	—	—	60	38	—	Pfizer
Phelps Dodge	16	71	—	—	83	Phelps Dodge
Philip Morris	—	—	—	11	—	Philip Morris
Phillips Petroleum	—	52	34	—	—	Phillips Petroleum
Pittsburgh Coal	43	—	—	—	56	
Pittsburgh Plate Glass	—	33	—	—	—	PPG Industries
Polaroid	—	—	9	—	—	Polaroid
Prairie Oil & Gas	53	—	—	—	52	Atlantic Richfield
Procter & Gamble	59	27	19	23	15	Procter & Gamble
Public Service Electric & Gas	—	—	99	—	—	Public Service Enterprise Group
Public Service Enterprise Group	—	—	—	97	—	Public Service Enterprise Group
Pullman	28	—	—	—	49	Allied-Signal
Radio Corp of America	—	56	24	—	—	General Electric
Ralston Purina	—	—	—	83	—	Ralston Purina
Raytheon	—	—	63	94	—	Raytheon
Republic Steel	46	83	—	—	91	LTV
RJ Reynolds Tobacco	86	35	44	—	3	RJR Nabisco
RJR Nabisco	—	—	—	31	—	RJR Nabisco
Rockwell International	—	—	—	68	—	Rockwell International
Santa Fe Southern Pacific	—	—	—	66	—	Santa Fe Southern Pacific
Schenley Distillers	—	26	—	—	—	Rapid American
Schering-Plough	—	—	—	91	—	Schering-Plough
Sears, Roebuck	36	8	7	13	10	Sears, Roebuck
Shell Oil	—	—	18	—	—	Shell Oil
Shell Union Oil	—	25	—	—	—	Unocal
Sinclair Oil	—	58	—	—	—	Atlantic Richfield
Singer	17	44	—	—	81	Singer
SmithKline Beckman	—	—	—	74	—	SmithKline Beckman
Socony-Vacuum Oil	—	18	—	—	—	Mobil
Southern California Edison	60	—	67	77	57	Southern California Edison
Southern Co	—	—	70	79	—	Southern Co
Southern Pacific (RR)	87	61	—	—	50	Santa Fe Southern Pacific
Southwestern Bell	—	—	—	36	—	Southwestern Bell
Sperry Rand	—	—	36	—	—	Unisys
Squibb	—	—	—	46	—	Squibb
Standard Brands	—	94	—	—	—	RJR Nabisco
Standard Oil	—	—	—	17	—	Standard Oil
Standard Oil of California	39	13	14	12	20	Chevron
Standard Oil of Indiana	40	12	20	9	17	Amoco
Standard Oil of New Jersey	3	4	5	2	13	Exxon
Standard Oil of New York	15	18	15	14	30	Mobil

Company	1917	1945	1967	1987	Return	Successor company
Sterling Drug	—	87	78	—	—	Sterling Drug
Studebaker	84	—	—	—	99	Worthington Industries
Sun Co	—	—	—	70	—	Sun Co
Sun Oil	—	60	54	—	—	Sun Co
Swift & Co	6	59	—	—	37	Swift Independent
Tenneco	—	—	69	72	—	Tenneco
Texaco	37	10	6	43	34	Texaco
Texas Co	37	10	6	43	34	Texaco
Texas Gulf Sulphur	—	73	79	—	—	CDC (Canada)
Texas Instruments	—	—	87	—	—	Texas Instruments
Texas Utilities	—	—	64	—	—	Texas Utilities
Textron	—	—	72	—	—	Textron
Time Inc	—	—	—	90	—	Time Inc
Times Mirror	—	—	—	92	—	Times Mirror
Timken Roller Bearing	—	91	—	—	—	Timken
Transamerica	—	—	80	—	—	Transamerica
TRW	—	—	89	—	—	TRW
Union Carbide (& Carbon)	22	6	25	—	25	Union Carbide
Union Oil of California	76	—	57	—	21	Unocal
Union Pacific (RR)	—	47	—	64	—	Union Pacific
Unisys	—	—	—	89	—	Unisys
United Air Lines	—	—	84	—	—	Allegis
United Fruit	47	43	—	—	53	United Brands
United Shoe Machinery	80	75	—	—	58	Emhart
United Technologies	—	—	—	85	—	United Technologies
Upjohn	—	—	—	50	—	Upjohn
US Rubber	10	—	—	—	66	Uniroyal
US Smelting & Refining	74	—	—	—	31	UV Industries
US Steel	1	9	35	55	75	USX
US West	—	—	—	42	—	US West
USX	1	9	35	55	75	USX
Utah Copper	72	—	—	—	36	Standard Oil
Vacuum Oil	78	—	—	—	9	Mobil
Virginia Carolina Chemical	49	—	—	—	43	Mobil
Virginia Electric & Power	—	—	73	—	—	Dominion Resources
Wal-Mart Stores	—	—	—	20	—	Wal-Mart Stores
Warner-Lambert Pharmaceutical	—	—	75	—	—	Warner-Lambert
Waste Management	—	—	—	48	—	Waste Management
Western Electric	—	45	—	—	—	AT&T
Westinghouse Electric	19	24	28	49	19	Westinghouse Electric
Weyerhaeuser (Timber)	—	78	86	78	—	Weyerhaeuser
Willys-Overland	44	—	—	—	100	
Wilson & Co	54	—	—	—	93	LTV
FW Woolworth	66	21	—	—	23	FW Woolworth
Wrigley	—	89	—	—	—	Wrigley
Xerox	—	—	12	57	—	Xerox
Youngstown Sheet & Tube	56	—	—	—	71	LTV
Zenith	—	—	95	—	—	Zenith Laboratories

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



The Wilshire index again crossed 3000 to close at a record 3022. It was only in July 1985 that the Wilshire moved above 2000. Total market value of the roughly 6,000 stocks in the index: $3.03 trillion. (The index started out representing market value exactly. But since it is intended to reflect stock price performance, it can drift out of alignment with total market value whenever a company issues new shares or buys in old ones.)

During the last two weeks big stocks led the way. The Dow gained 3% and the NYSE 3.4%, which was enough to propel both indexes to new peaks. Gains just under 3% for both the Amex and Nasdaq left the Amex 1% off its April high and the Nasdaq 2.4% off its March high.

In two weeks the latest 12-month P/E on the Wilshire index jumped from 19.7 to 20.3. The Wilshire started the year selling at 17.8 times earnings, climbing to 20.7 in March. The market appears to be closing in on its old record and ready to move into strange new territory.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	8.2	9.2	8.2	8.7	5.0	5.0
in last 52 weeks	20.2	20.9	29.8	22.6	20.4	8.2

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	9.7	4.0	6.4	3.8	3.9	4.3	3.8	3.5	4.2	5.3	7.8	2.3
in last 52 weeks	23.4	35.3	57.6	22.2	15.5	11.5	9.3	43.2	53.7	16.6	18.1	24.7

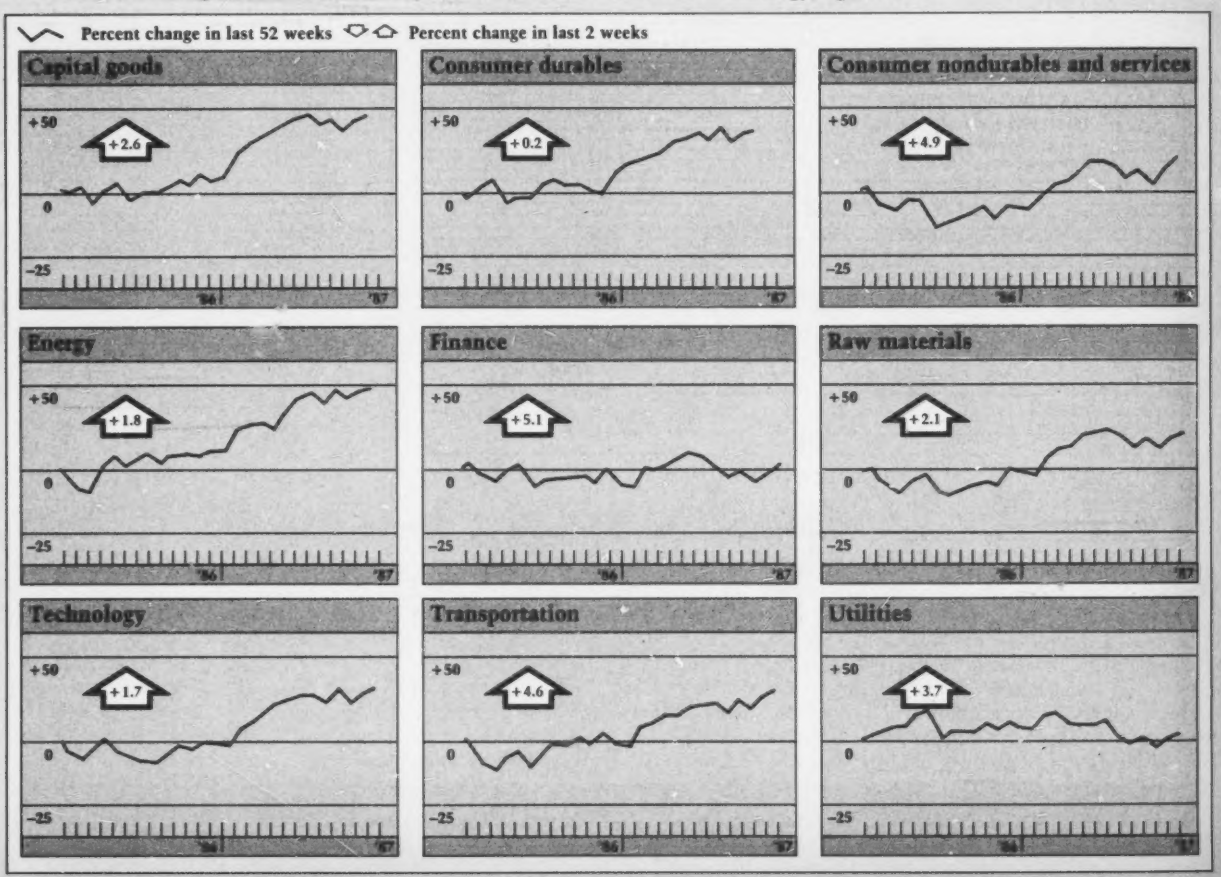
[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 6/18/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gay Prescir

Where the Action Is

Honesty pays. Wall Street clearly liked the idea of Chase Manhattan, Citicorp and other big banks raising their loan-loss reserves for dubious foreign loans. Despite the severe damage the writeoffs will do to 1987 bank earnings, in the last two weeks the finance sector outperformed all other groups, with a 5.1% gain. The top-performing bank was Chase, which gained 15%. J.P. Morgan & Co., which has yet to increase its loss reserve, rose 14%. The second-best sector was consumer nondurables, which rose 4.9%. Gillette was up over 21% on Revlon Group's renewed takeover attempt. Consumer durables trailed the pack with only a 0.2% increase. GM, which is struggling with rising inventories, fell almost 4%. Also lagging the market was technology, up 1.7%.



What the Analysts Think

Analysts went back to their computers for new earnings estimates for finance stocks. When they were done, they lowered their 1987 earnings forecasts more than 4%. This action was prompted, in part, by banks' increases in their loan-loss reserves. Contrarian note: Finance stocks sell for only 10.3 times estimated 1987 earnings.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.48	19.1
1987 estimates	3.26	14.6
1988 estimates	3.87	12.3

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Consumer durables	$3.74	13.5	1.37%	1.79%
2	Energy	2.57	18.1	0.44	1.78
3	Raw materials	2.27	16.2	0.41	1.33
4	Technology	2.61	16.5	-0.14	-0.20
5	Consumer nondurables	2.36	18.0	-0.17	0.01
6	Capital goods	2.11	19.7	-0.48	-1.87
7	Utilities	2.64	10.6	-0.49	-0.66
8	Transportation	2.17	16.5	-1.58	-2.07
9	Finance	3.22	10.3	-4.20	-5.27

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 6/18/87. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

Statistical Spotlight

Grocery stocks have done very well in the past several years. What's left to buy?

It pays to mind the store

By Michael Ozanian

SUPERMARKETS AREN'T as exciting as a breakthrough in biotechnology or hot-selling computer program. But when we looked back at a previous list of food retailers (FORBES, *Oct. 10, 1983*), we found that the group went up 122%, compared with 68% for the overall market.

Lower interest and tax rates favored conservative ventures like supermarkets, specialty retailers and food processors. Meanwhile, many technology firms battled with overcapacity, foreign competition, falling prices and the gyrations of the dollar. During this 3½-year stretch the Wilshire consumer nondurables sector rose 106%, vs. 28% for the technology group.

Which food retailers did best? Those selling for more than the 1983 market price/earnings multiple of 10.6 rose an average of 81%, while stocks with P/Es under the market increased 167%. "The ones with low P/Es that show consistent earnings, even if growth rates are low, will be recognized by the market, and their multiples will rise," says Prudential-Bache Securities' Susan Schmierer.

The top three performers from our old list were cheap stocks that subsequently showed solid earnings. David Dreman has been saying for years to buy and hold companies with low P/Es, even those with recent earnings slippages. Their earnings and multiples are likely to improve. Mayfair Super Markets, the top-performing stock from 1983, with a 737% increase, sold for 6 times earnings in 1983. Second-place Godfrey had a multiple of 10 and gained 567%. Village Super Markets, which had a 6½ multiple, has quadrupled in price.

A number of grocery chains were acquired. Jewel Cos., which had a multiple of 8, was bought by American Stores. Safeway, which sold for 8 times earnings, was taken private by Kohlberg Kravis Roberts. Book values seemed unimportant. They may conceal more than they reveal about leaseholds and customer loyalty.

With the latest 12-month multiple of the Wilshire index around 20, we've stretched our definition of "cheap" stocks, including anything selling below the market. The following lists the 15 currently cheapest grocery stocks. There may be takeover play left, encouraged by recent deals like the going-private recapitalization of Supermarkets General. But the bargains aren't what they used to be. ■

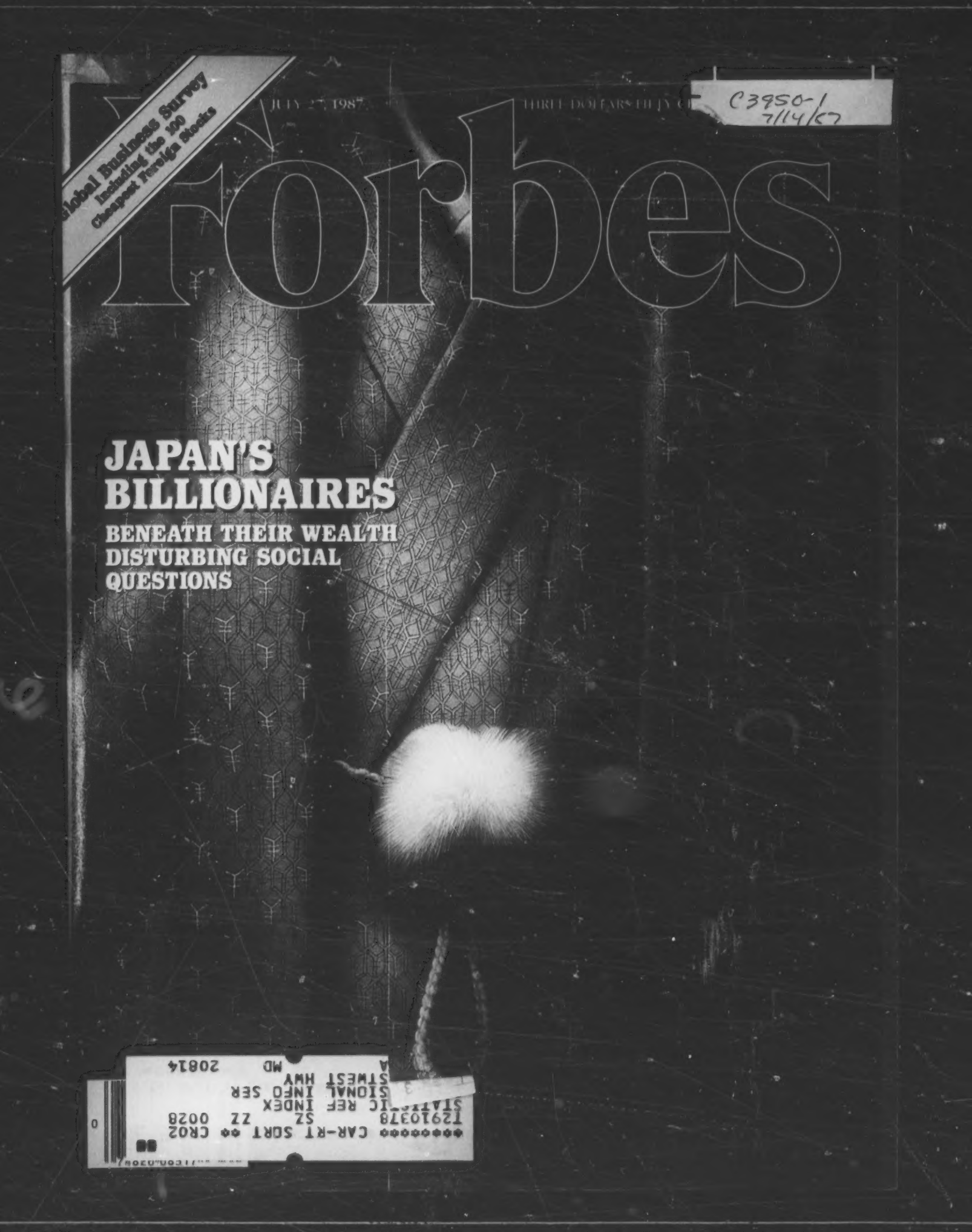
Supermarket selections

Low-P/E food retailers, having gained 122% over the last four years, aren't so low in P/E anymore. These food retailers, however, are all selling at multiples below the market's 20. Some could get bought out.

Company	Principal service area	Price	Earnings per share: latest 12 months	Earnings per share: 1987 est	Earnings per share: growth rate*	P/E	Return on equity	Sales ($mil)	Book value/ share
Lucky Stores	Midwest, Calif, Fla	29½	$5.57	$2.08	25%	6.6	71.4%	$6,440	$7.80
Borman's	Michigan	17¼	2.23	2.65	100+	7.7	16.1	1,070	13.81
Arden Group	West	28½	2.16	2.50	27	13.2	13.8	399	15.70
Marsh Supermarkets	Midwest	19¾	1.32	NA	6	15.0	13.8	772	9.54
Pueblo Intl	Puerto Rico, Virgin Is	25¾	1.71	1.70	14	15.1	11.3	692	15.07
Foodarama Supermarkets	Northeast	20⅝	1.32	NA	40	15.6	7.1	472	18.46
Loblaw Cos	US, Canada	11	0.69	NA	11	16.0	13.5	5,848	5.08
Giant Food	DC, Mid-Atlantic	25½	1.55	2.07	19	16.5	16.1	2,530	9.63
Mayfair Super Markets	New Jersey	33¾	2.03	NA	39	16.6	38.8	432	5.23
Albertson's	West, South	55½	3.12	3.32	10	17.8	18.3	5,390	17.08
Seaway Food Town	Ohio, Michigan	24¾	1.39	1.85	–5	17.8	7.2	424	19.36
Winn-Dixie	South, Southeast	48⅝	2.62	2.80	NA	18.6	14.3	8,220	18.32
Cullum Cos	Texas	31⅛	1.65	1.54	8	18.9	15.1	1,040	10.90
Shaw's Supermarkets	New England	27	1.42	1.50	14	19.0	19.5	1,090	7.28
Great A&P Tea	US, Canada	36⅛	1.82	2.13	100+	19.8	9.4	7,830	19.32

*The compound annual rate of growth over the last five years. NA: Not available.

Sources: Standard & Poor's Stockpak-II System; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan.



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Forbes

JULY 27, 1987
VOLUME 140
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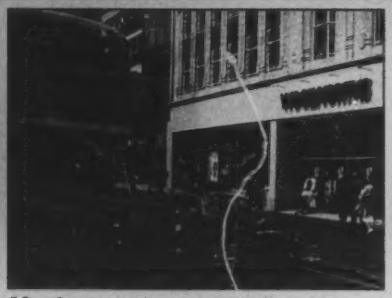

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July 27, 1987 Volume 140 Number 2 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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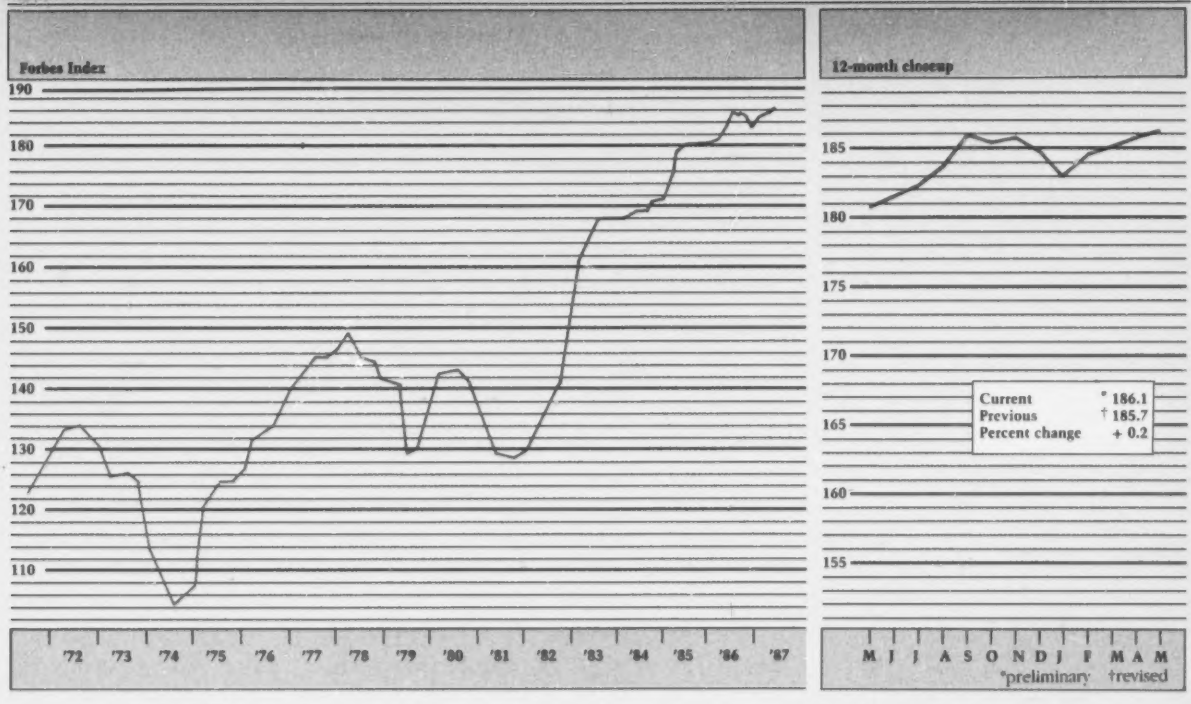
The Forbes Index



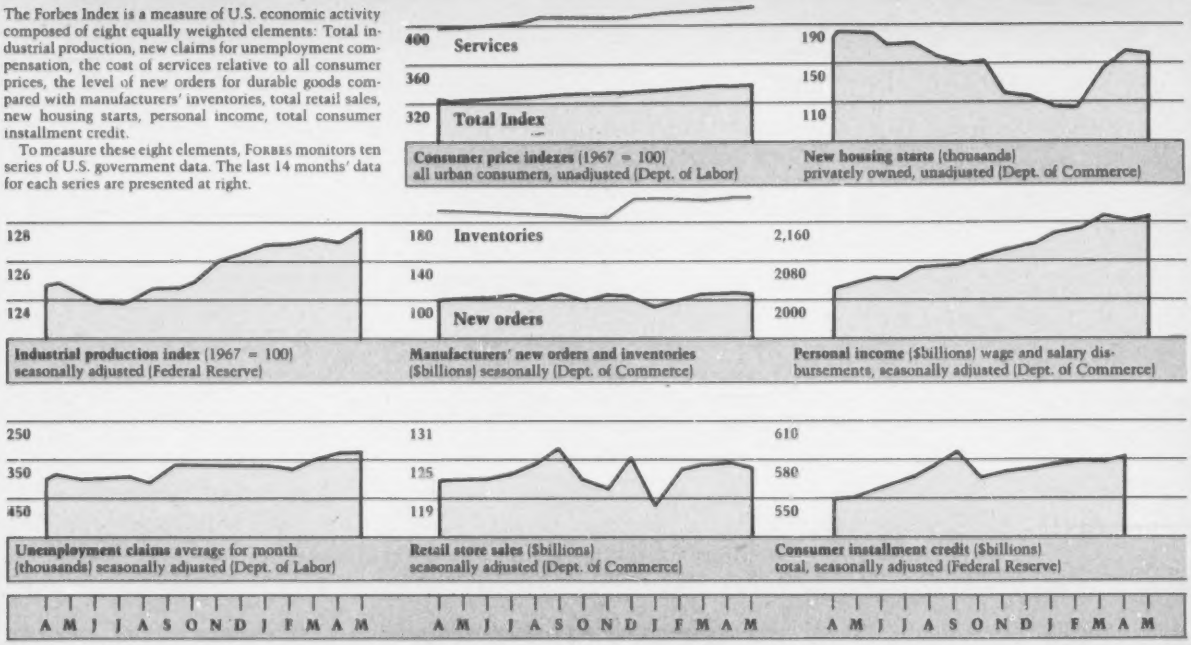
Will the uptick in manufacturing last? For the fourth consecutive month there was an increase in The Forbes Index of manufacturing activity. New orders for durable goods in the most recent three months rose faster than inventories. But weak auto sales contributed to a 0.6% slackening in retail sales in May. The 12-month total of new housing starts, hampered by higher mortgage rates, dropped 1.5%. There were only 160,000 new starts this May, compared with 187,000 a year ago. And personal income climbed 0.4%, to an annual rate of $2,171 billion.

Despite the problems with retail sales and housing, The Forbes Index rose 0.2%.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Forbes

Most of the big banks have faced up to their foreign loan losses. Or have they?

Biting half a bullet

By Allan Sloan

IT'S BEEN TWO MONTHS now since Citicorp took a $3 billion bath by setting up a reserve to cover losses on some of its stinko less-developed-country loans. After watching Citicorp's stock rise rather than fall after its announcement, about 50 more bank companies took the plunge, writing off another $12 billion or so against earnings.

All is now well? If the secondary market for LDC loans is a guide, there may be more grief yet to come.

We base this gloomy conclusion on clear signals from the marketplace. There is a reasonably active market in LDC loans because some European banks and, later, U.S. regional banks decided to sell their paper and take a loss rather than hold on.

The table below analyzes the dozen banks with the greatest LDC loan exposure that have set up special write-offs. As you can see, marking their LDC loans to market suggests that the top six banks on our table may still have quite a lot to write off, notwithstanding their combined $9.2 billion in special second-quarter LDC reserves.

(We aren't even counting J.P. Morgan, which isn't on the list because as of early July it hadn't taken a special LDC hit. Morgan has about $6 billion of Third World loan exposure and no specific reserve to cover it. It wouldn't surprise us if Morgan took a hit of $800 million or so—which would be about 15% of the bank's shareholder equity.)

Using information provided to us by Keefe, Bruyette & Woods, the New York City-based company that specializes in bank stocks, we compared banks' LDC reserves with the value placed on their LDC paper by the secondary market. Granted the secondary market is thin and still fairly rudimentary, but it is a market.

Guess what? In every case the market accorded the loans a greater discount than the bank did.

We looked at Keefe's numbers for banks' exposure to five big troubled borrowers—Argentina, Brazil, Mexico, Venezuela and Chile—and valued the loans accordingly, using the highest quote that we heard.

Still overexposed?

A dozen big U.S. banks that have taken special LDC reserves. All dollar figures are in billions.

Bank	LDC exposure	Indicated LDC loan losses at market	LDC reserves	Excess of indicated losses over reserves	Excess as % of shareholders' equity
Citicorp	$14.85	$6.15	$3.80	$2.35	44%
Bank of America	10.00	4.16	1.85	2.31	97
Chase Manhattan	8.90	3.66	2.00	1.66	74
Manufacturers Hanover	8.41	3.47	1.85	1.62	94
Chemical	5.95	2.43	1.51	0.92	52
Bankers Trust	4.00	1.67	1.00	0.67	30
First Chicago	3.12	1.30	0.94	0.36	27
Continental Illinois	2.61	1.12	0.76	0.36	30
Security Pacific	1.80	0.75	0.65	0.10	4
Marine Midland	1.74	0.69	0.50	0.19	21
Mellon	1.60	0.69	0.43	0.26	20
First Interstate	1.52	0.64	0.50	0.14	6

Sources: LDC exposure, LDC reserves, estimated amount of shareholders' equity as of 6/30/87—Keefe, Bruyette & Woods; indicated LDC loan losses—Forbes computations based on public documents and quotes from marketmakers in LDC loans.

Where we could find specific loans to other countries—such as Citicorp's $1.1 billion exposure in the Philippines—we priced the loans at the market. We called everything else "other" and arbitrarily gave it a 45% haircut. We compared the total indicated discount on the banks' LDC loans with the reserves Keefe says the banks have set up for those loans.

You can see from our table that some banks—notably Security Pacific and First Interstate—have reserves very close to the indicated discount the market accords their loans.

And you can also see that some banks—most notably Manufacturers Hanover, Bank of America, Chemical, Chase Manhattan and Citicorp—are still heavily exposed.

We know our results aren't perfect—our method for valuing "other" loans is crude, and the secondary market for LDC paper is volatile and thin. The fact remains: Third World loans are still a serious problem for the U.S. banking system. ■

Brazil is one of the most promising economies in the world. Why can't it pay its debts? Why is foreign capital pulling out?

Bungling in Brazil

By Norman Gall

"I'M LOOKING FOR frightened Americans," says a bargain-hunting São Paulo businessman on the prowl for U.S. companies trying to sell their investments in Brazil.

The Brazilian knows the Yankees are fed up. "U.S. managers are tired of our rules changing all the time. They are frightened by our inflation, our bureaucracy, our political instability and our growing restrictions on the operations of foreign companies. They've lost confidence in the underlying strength of our country and its market forces. They want to get out and I want to buy their assets cheap."

What a change from the days of not so long ago when Brazil was the promised land. With $27.8 billion in foreign investment, Brazil still has more than any other developing country, exceeding the two runners-up, Mexico and Singapore, combined. But the flow now is out rather than in.

Last year the investment flow became negative for the first time. Officially, foreigners sent home $1.2 billion in profits, against only $796 million two years before. But the actual seepage of capital from Brazil last year was probably even greater.

Sometimes the transfer is legal, more often not. The illegal transfers are carried out by such ploys as overinvoicing of imports and transfer pricing between multinationals. Sometimes assets are transferred to shell companies in Panama. Another way to get money out of the country is through buying the registered capital of moneylosing firms to create opportunities for bigger profit remittances.

Not everyone is cutting and running. IBM is making good profits and investments to keep its market share. General Motors and Ford have well-

AP/Wide World Photos

Demonstrators in Rio de Janeiro earlier this month
A classic case of economic mismanagement and bureaucratic bungling.

moved the network news showpiece, *World News Tonight*, back from 7 p.m. to 6:30 p.m.—to the dismay of the network news division—and replaced *News* with *Jeopardy*, the second-highest-rated syndicated show. WABC now wins the 7-to-7:30 time period in New York—not only hurting the CBS and NBC network news shows but belting a competing game show on indie WWOR. The latter has lost a third of its audience.

"What you're seeing now is the creation of a new kind of hybrid station brought about by the conjunction of new technology [satellites], the changing economy and new methods of promotion," says Joel Chaseman, president of the Washington Post Co.'s Post-Newsweek stations (two affiliated with CBS, one with NBC and one with ABC). "Affiliates recognize they must be partners with strong networks, but they must also be willing to make exceptions when something compelling comes along."

These hybrids have a hardy look. Thomas Buono of Broadcast Investment Analysts in Washington, D.C. says there are more buyers than sellers for affiliates, at a price about 12 times cash flow—a multiple that is rising. Independents, meanwhile, are a glut on the market at below 10 times cash flow—a multiple that is dropping. ■

Three years ago regulators called money brokers a "spreading cancer" for thrifts. Now Washington turns to them for help.

"We're the lifeblood"

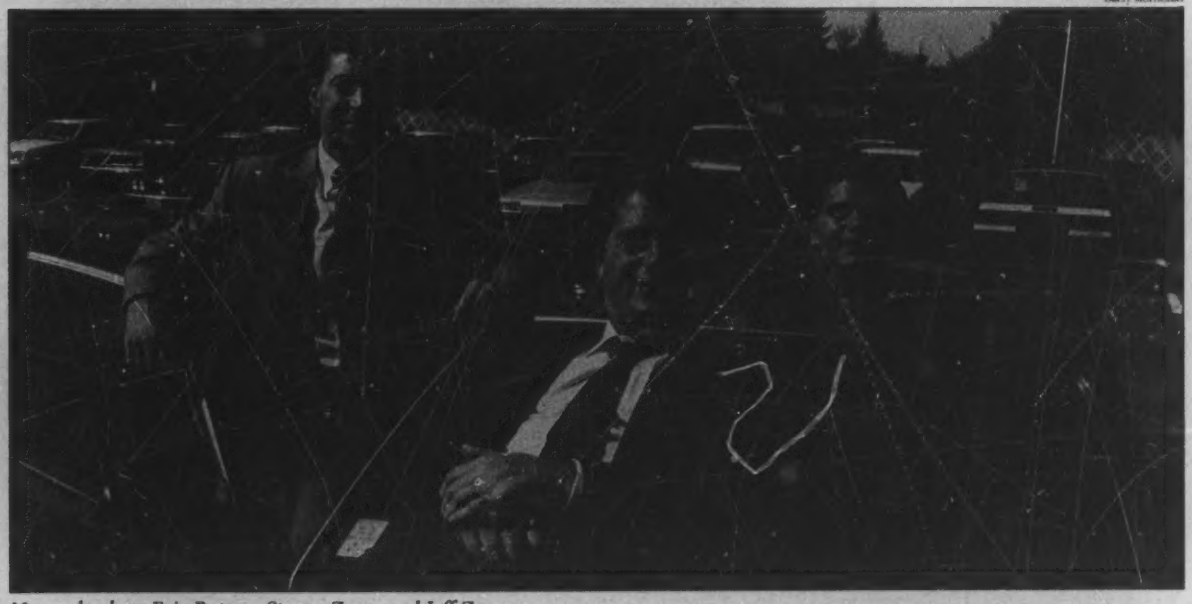
By Matthew Schifrin

FOUR YEARS AGO Jeffrey Zage, 24, was a greens keeper at a New Jersey golf course, raking fairways and traps for $8.50 an hour. This summer Jeffrey Zage is a millionaire, and if he should decide perchance to retire to some breeze-caressed Caribbean tax haven, the $1.2 trillion savings and loan industry will sorely miss him. Zage and his tiny brokerage firm, Financial Northeastern Corp., are playing a crucial part in propping up some of the shakiest financial institutions to be found anywhere.

Zage is a "money broker." Money brokers find deposits for needy thrifts. It's not a hard business to get into: A telephone and a telephone book are the only equipment needed. In the last five years money brokerage has grown from virtually nothing to become a $50 billion business with dozens of brokers, ranging from fly-by-night shops with two agents to giant securities firms like Merrill Lynch and Dean Witter. Their main customers are 1,000 of the nation's neediest thrifts.

All brokers offer virtually the same service as Zage's Financial Northeastern Corp. From his street-floor office 25 miles west of Manhattan in West Caldwell, N.J., Zage and his band of 35 money brokers log in eight-hour days cold-calling thousands of potential clients in hopes of talking them into investing in super-high-yielding "government insured" certificates of deposit.

Barry Kornblah



Money brokers Eric Ratner, Steven Zage and Jeff Zage
Blood bankers for the Home Loan Bank Board.

High-rate junkies

These thrifts offer high rates via money brokers. Half those listed are insolvent and being run by government-approved managers. The result? A rate war that is costing thrifts $4 billion in excess interest expenses.

S&L/City	Six-month "jumbo" CD rate[1]	Total assets (mil)	% brokered deposits	Capital adequacy ranking (0 = worst, 99 = best)	Return on assets
Western Federal S&L*/Dallas, Tex	9.25	$1,582	17.50%	1	–41.50%
American Diversified Savings*/Lodi, Calif	9.13	613	10.24	0	–59.72
Commodore Savings Assn/Dallas, Tex	9.13	816	37.78	0	–27.71
Sunbelt Savings/Dallas, Tex	9.13	3,196	10.36	8	–2.55
First South Savings Assn/Port Naches, Tex	8.85	385	31.28	8	0.52
Platte Valley Federal Savings/Gering, Neb	8.90	411	27.94	5	–2.44
State Federal S&L*/Lubbock, Tex	9.00	717	1.23	0	–8.41
Vernon Federal S&L*/Vernon, Tex	9.00	1,347	25.29	1	–27.45
Independent American S&L*/Irving, Tex	8.50	1,085	0.18	0	–32.20
Charter S&L/Corpus Christi, Tex	8.25	501	3.73	12	–0.87
National average	6.69[2]	NA	3.70	50	0.17

*Run by FSLIC appointed management. [1]Financial Northeastern Corp. of 7/6/87. [2]Rate from Banxquote Online, New York.

Source: Sheshunoff & Co., Inc., Dec. 1986.

A cold-call target can be a Pennsylvania school district, a hospital in Wyoming, an Indian tribe in New Mexico, even a randomly selected resident of a wealthy Chicago suburb. So far as the broker is concerned, all that really matters is that the target have at least $90,000 or so in spare cash lying around.

The big come-on in any broker's pitch is the availability of government insurance to guarantee the safety of the deposit. Thus, money brokers like to market their CDs in amounts of less than $100,000, so as to keep each certificate of deposit smaller than the maximum $100,000 face value that is covered by federal deposit insurance.

By the end of this year Zage's cold-calling cronies expect to raise something in excess of $6 billion in deposits for several hundred ailing thrifts and other banks. The firm itself expects to net $3 million in profits, with the earnings coming largely from fees ranging from a quarter of a percentage point to a full point over the advertised CD rates offered by its client thrifts.

When money brokers first appeared on the scene in the early 1980s, the Federal Home Loan Bank Board tried, in effect, to shut them down. The regulators charged that the brokers were pushing "hot" money that would inevitably surge in and out of banks searching for the highest yield, thereby forcing up yields throughout the industry.

Now, however, with nearly a fifth of the thrift industry insolvent and gasping for deposits, the Bank Board has become much friendlier to the brokers. "We get calls for help from regulators once a week," reveals Phillip Eitman, 28, president of 75-broker High Yield Management Securities of Clifton, N.J. "We are basically stopping a run on the Federal Home Loan Bank in Dallas."

In San Francisco the Federal Home Loan Bank Board is negotiating a deal with Merrill Lynch to raise as much as $500 million through the marketing of federally insured certificates of deposit issued by two unspecified, ailing California thrifts.

By continually pumping fresh deposits into foundering thrifts, the money brokers are in fact causing a nationwide deposit rate war, since most of the money must be lured from some other savings institution. The Bank Board estimates that the competition for money is costing the industry at least $4 billion annually in extra interest costs. Moreover, it is prolonging and aggravating the probably inevitable collapse of many weak thrifts. "We have this terrible situation of having to maintain liquidity by paying up for rates," says departing Bank Board Chairman Edwin Gray, who calls the thrifts involved "high-rate junkies."

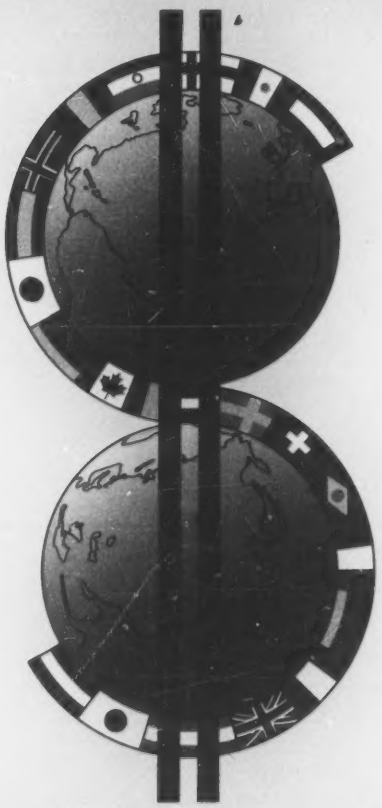
Take a look at the top-rate-paying S&Ls listed in the table above. Each week these and other institutions get top billing on rate tables published across the country in local papers as well as in the *Wall Street Journal* and *Money* magazine. Every thrift on the table is in ghastly financial shape, and all use money brokers. Eight of the ten are based in Texas, and five have already failed and are now being run by government-appointed management teams.

How are these walking dead going to cover the sky-high rates they are now offering? "No comment," says Wanda Haggard, vice president in charge of marketing for Dallas-based Commodore Savings, which offers 9⅛% on six-month deposits—a full 244 basis points above the market. In fact, about the only way a southwestern thrift can make a profit these days on such costly money is by gambling on risky ventures in which other lenders refuse to get involved.

With federal insurance, depositors may think they've got little to lose even if a thrift does keel over, but they should think again. Though interest and principal are insured up to $100,000 per depositor, timely payment is not. A depositor's cash could be tied up for weeks if a sizable number of FSLIC's basket cases were to go bust and be liquidated by the Home Loan Bank Board. Last year 21 such institutions were liquidated.

In the meantime, business for the brokers looks great. "If we were once the disease," says Zage, "we are now the lifeblood. Today Texas needs money; tomorrow it could be New York." ■

THE FORBES FOREIGN RANKINGS



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THE 100 CHEAPEST FOREIGN STOCKS

Despite the falling dollar, U.S. investors continued to put money into other countries' stock markets last year. And, on average, with happy results. Measured in dollars, stocks traded in Europe, Asia and the Far East rose over 72% last year. The Dow industrials? Up 22%.

For U.S. investors looking for undervalued equities beyond our borders, we offer FORBES' second annual listing of the 100 cheapest foreign stocks, ranked by price/earnings ratios. We have again compiled the list with the help of Mark Sladkus and his crew at *Morgan Stanley Capital International Perspective*. *MSCIP* keeps track of more than 2,000 companies covering 38 industry groups and trading on 20 national stock exchanges. Total market value, as of May 29, for the group: $7.6 trillion.

From this unique database, we extracted the 100 foreign stocks that are most modestly priced in relation to their earnings and their book values. All of the 100 stocks below sell for less than 2.5 times book value. Their price/earnings ratios are no more than 50% of the average multiple for their local market. If the average P/E for the Australian market is 16, for example, an Australian company would need a P/E of 8 or less to qualify for our list. Finally, to weed out tiny companies, we include here only firms with market values of $125 million or more.

When we presented the list last year, we wrote: "Is buying low-P/E stocks the way to invest overseas, if invest overseas you must? Frankly, we don't know." Frankly, it's still too early to draw firm conclusions. There were some real disappointments on last year's list, including Volkswagen (down 12%) and Hoechst (off 20%). On the other hand, Mexico's Vitro, a glass producer, rose 234%. Australia's Ampol Exploration climbed 173%. A dozen Japanese stocks jumped by more than 80% (thank you, strong yen).

Had you put $1,000 into each stock on last year's list, your $100,000 portfolio would have increased to over $151,000. That wins no medals when compared with the 72% rise of Morgan Stanley's index of non-U.S. stocks. But it's pretty good compared with the Dow's 22% gain. Remember: Past performance does not future success make. A stable, or rising, dollar could make next year's foreign stocks look much less impressive. Keep in mind, too, that investors in undervalued U.S. stocks often have to hold their positions for years before their hopes and expectations are realized.

Is patience rewarded in foreign equities, too? And how will FORBES' 1987 cheapest foreign stocks do? Stay tuned.

Company	Country	Industry	Stock price recent	Stock price % change since 1/1/87	P/E	Price/ cash flow	Price/ book value	Yield	Market value* (millions)
Buffelsfontein	South Africa	gold mining	$12.88	30.8%	2.2	NA	0.40	21.7%	$142
Harmony	South Africa	gold mining	9.00	42.0	3.8	NA	1.16	8.4	242
Anglovaal	South Africa	gold mining	29.00	14.4	3.9	NA	0.96	5.5	127
Free State Cons (Steyn)	South Africa	gold mining	9.50	44.8	4.0	NA	1.14	10.5	1,104
Saga Petroleum	Norway	energy	13.56	69.4	4.5	3.4	1.42	—	361
Randfontein Estates	South Africa	gold mining	84.63	52.6	4.7	NA	1.35	6.3	517
Bergen Bank	Norway	banking	26.01	–1.2	4.8	NA	0.80	8.8	332
Orange Free State	South Africa	gold mining	24.00	38.6	5.0	NA	1.30	5.3	540
Danske Sukkerfabrikker	Denmark	food processing	48.57	–3.5	5.2	3.2	0.85	3.8	306
Credito Fondiario	Italy	banking	3.72	–2.9	5.3	NA	0.92	3.7	232
Thyssen	Germany	steel	63.81	–6.3	5.3	2.5	1.17	6.7	1,997
Hoogovens	Netherlands	steel	20.42	–2.3	5.4	1.4	0.51	3.6	404
Gencor	South Africa	gold mining	10.13	37.7	5.5	NA	1.16	6.9	835
Volkswagen	Germany	automobile	205.11	–12.2	5.7	1.8	1.25	4.2	6,023
Christiania Kreditkassen	Norway	banking	28.45	–3.5	5.7	NA	1.21	8.4	374
Leykam-Murztaler Papier	Austria	paper & forest prods	19.98	–17.4	5.8	2.9	1.30	1.6	168
Lloyds Bank	UK	banking	3.52	17.5	6.0	NA	1.02	4.9	4,588
Barclays	UK	banking	8.71	3.9	6.0	NA	0.99	5.5	6,394
Queensland Coal Trust	Australia	energy	1.03	–9.9	6.1	4.6	1.75	16.6	506
Midland Bank	UK	banking	10.46	6.1	6.2	NA	0.74	5.9	2,425

*May 29, 1987. Includes all classes of shares. E: Estimate. NA: Not available or not applicable.

Source: Morgan Stanley Capital International Perspective.

Company	Country	Industry	Stock price recent	% change since 1/1/87	P/E	Price/ cash flow	Price/ book value	Yield	Market value* (millions)
Volvo B Fria	Sweden	automobile	$47.99	–11.1%	6.7	4.5E	1.39	3.0%	$3,728
Banca Commerciale	Italy	banking	2.78	–14.1	6.9	NA	1.07	4.9	2,920
National Australia Bank	Australia	banking	3.31	–0.4	7.0	NA	0.89	5.8	1,528
De Beers	South Africa	misc materials	11.30	37.4	7.1	NA	1.00	3.5	4,066
Korn-Og Foderstofkomp	Denmark	whlsale & intl trade	72.93	–9.9	7.2	4.0	0.80	2.0	148
Westpac	Australia	banking	3.51	1.7	7.3	NA	1.02	5.7	1,915
CIBA-GEIGY	Switzerland	chemicals	1,044.97	–7.6	7.3	4.2	0.59	2.4	6,827
Royal Bank of Scotland	UK	banking	5.67	18.8	7.3	NA	1.05	4.6	1,635
Pagurian	Canada	financial svcs	11.48	8.9	7.5	NA	2.28	2.9	599
East Asiatic	Denmark	multicompany	28.30	10.9	7.9	3.7	1.10	—	357
Baltica Holding	Denmark	insurance	134.92	25.8	7.9	NA	0.68	1.3	304
Banco Lariano	Italy	banking	3.08	–13.8	8.3	NA	1.91	4.9	770
National Bank of Canada	Canada	banking	10.64	–0.9	8.5	NA	0.96	3.9	1,105
Bank of Nova Scotia	Canada	banking	13.44	4.3	8.6	NA	1.19	4.0	2,201
Italmobiliare	Italy	multicompany	94.98	6.8	8.6	NA	1.25	0.3	646
Nestlé	Switzerland	food processing	3,108.47	–2.7	8.9	5.4	1.35	3.1	14,021
Union Credit Batiment	France	banking	55.00	–22.2	8.9	NA	1.14	4.5	468
Royal Bank of Canada	Canada	banking	24.83	3.5	9.0	NA	1.00	6.0	2,888
Cogefar	Italy	construction	5.19	–7.2	9.3	3.6	2.17	2.6	419
Canadian Imperial Bank	Canada	banking	16.06	6.2	9.4	NA	0.89	5.0	2,233
Bank of Montreal	Canada	banking	24.83	–0.4	9.8	NA	1.07	6.0	2,278
Irsa A	Mexico	chemicals	3.62	155.5	9.8	9.2	2.07	2.3	225
Cydsa	Mexico	chemicals	10.87	187.5	9.9	7.1	2.07	0.5	435
Toronto Dominion Bank	Canada	banking	21.10	18.9	9.9	NA	1.51	3.0	3,110
Matsushita Electric Trading	Japan	whlsale & intl trade	14.32	–6.4	10.4	9.8	1.33	0.6	1,875
Fuji Heavy Industries	Japan	automobile	3.71	14.6	10.4	NA	1.21	1.5	1,413
Bell Canada Enterprises	Canada	telecommunications	31.18	12.5	11.0	4.5E	1.32	5.7	8,325
Codan Forsikring	Denmark	insurance	202.74	39.0	11.0	NA	1.19	1.2	478
Total Petroleum	Canada	energy	20.91	3.7	11.1	4.8E	2.22	1.9	508
Amada	Japan	mach & engineering	5.38	–11.9	11.1	9.5	1.28	1.9	1,120
Denison Mines	Canada	energy	5.23	5.7	11.5	1.7E	1.79	—	266
British Columbia Telephone	Canada	telecommunications	21.56	5.5	11.6	3.5	1.43	6.1	1,036
Rio Algom	Canada	misc materials	16.15	1.8	11.7	NA	1.43	3.0	689
Forsikring Hafnia	Denmark	insurance	259.63	8.5	12.1	NA	0.72	1.1	380
Novo Industri	Denmark	drugs & prsnl prods	36.17	1.6	12.1	8.5E	1.29	1.6	922
Indal	Canada	building materials	9.71	–2.8	12.2	8.1	2.28	3.1	476
Nordiske Kabel	Denmark	industrial equip	78.03	9.2	12.2	6.1	1.55	2.6	199
Domtar	Canada	paper & forest prods	15.12	14.9	12.3	7.7	1.78	2.5	1,300
Hitachi Maxell	Japan	recreation	15.08	–12.2	12.6	NA	1.59	0.8	1,482
Sophus Berendsen	Denmark	multicompany	124.71	23.0	13.1	6.9	2.39	2.0	291

*May 29,1987. Includes all classes of shares. E: Estimate. NA: Not available or not applicable.

Source: Morgan Stanley Capital International Perspective

The 100 cheapest foreign stocks

Company	Country	Industry	Stock price — recent	Stock price — % change since 1/1/87	P/E	Price/ cash flow	Price/ book value	Yield	Market value* (millions)
Dofasco	Canada	steel	$19.32	19.0%	13.3	6.7	1.08	3.9%	$1,062
Sears Canada	Canada	retailing	8.50	5.8	13.4	8.7E	1.32	6.5	743
Toyota Motor	Japan	automobile	12.65	–17.3	14.0	9.0E	1.70	1.0	33,718
Koyo Seiko	Japan	industrial equip	3.75	–6.1	14.4	NA	1.26	0.9	526
Minolta Camera	Japan	recreation	4.58	–4.5	14.5	NA	1.80	1.3	1,040
Hitachi Sales	Japan	retailing	3.66	–4.9	14.8	NA	1.06	1.4	571
Honda Motor	Japan	automobile	9.73	1.5	15.3	7.0E	1.65	0.9	8,905
Aida Engineering	Japan	mach & engineering	4.78	–9.3	16.4	NA	1.36	1.5	356
Mori Seiki	Japan	mach & engineering	9.03	–4.4	17.9	NA	1.89	1.2	683
Makita Electric	Japan	electrical equip	8.06	–14.2	18.2	12.7E	1.39	1.6	1,027
Aisin Seiki	Japan	industrial equip	6.25	–3.9	18.9	NA	1.71	1.2	1,437
Genting	Malaysia	leisure & tourism	3.02	15.3	19.0	15.7	2.33	1.3	696
National Iron & Steel	Singapore	steel	3.11	59.4	19.2	11.1	1.49	1.5	199
Fuji Photo Film	Japan	recreation	23.07	–10.8	19.8	11.6	2.22	0.4	8,574
Sharp	Japan	appliances	6.78	–11.3	19.9	7.8	1.89	1.1	4,998
Yokogawa Hokushin Electric	Japan	electronics	7.44	–16.4	20.0	NA	2.23	0.6	1,521
Taiyo Yuden	Japan	electronics	7.85	–8.1	20.1	NA	1.81	1.5	820
Orient Leasing	Japan	financial svcs	25.71	–5.1	20.1	NA	1.93	0.4	1,374
Toyo Seikan	Japan	misc materials	16.68	9.1	20.5	NA	2.39	0.3	2,735
Daifuku	Japan	mach & engineering	5.02	–3.1	21.0	NA	2.41	1.4	404
Matsushita Electric Industrial	Japan	appliances	13.34	–7.3	21.0	10.5	1.58	0.6	23,890
Renown	Japan	textiles & apparel	5.35	–3.8	22.0	NA	1.34	1.6	930
Nippon Chemi-Con	Japan	electronics	6.08	–0.1	22.3	11.3E	1.54	1.6	498
Sony	Japan	appliances	21.75	–9.3	22.7	6.5	1.19	1.4	5,029
Nippon Seiko	Japan	industrial equip	3.73	9.4	23.9	10.4E	1.69	1.3	1,566
Uny	Japan	retailing	9.45	–14.5	24.1	11.6E	1.78	1.3	1,425
Royal	Japan	leisure & tourism	15.29	–31.5	24.5	11.1	1.91	1.2	428
Kashiyama	Japan	textiles & apparel	8.13	–4.3	25.5	NA	1.92	1.4	1,089
TDK	Japan	electronics	23.49	–12.4	25.5	9.3E	1.60	1.2	2,827
Mazda Motor	Japan	automobile	2.86	10.8	26.4	5.6E	1.35	1.8	2,733
Olympus Optical	Japan	recreation	7.57	0.9	26.7	11.9	1.89	1.2	1,437
Brother Industries	Japan	appliances	4.38	10.5	27.0	NA	1.65	1.6	1,120
Tokyo Style	Japan	textiles & apparel	10.42	–12.3	27.1	NA	2.06	0.8	789
Hitachi Ltd	Japan	electrical equip	7.37	–4.5	27.1	7.2E	1.71	0.8	20,745
Ricoh	Japan	computrs, off equip	6.57	–5.5	27.3	8.4	2.04	1.1	2,971
Bridgestone	Japan	industrial equip	6.85	35.9	27.4	8.6E	1.95	1.0	4,003
Hattori Seiko	Japan	recreation	7.85	–18.7	29.1	NA	1.75	0.9	754
Nisshinbo	Japan	textiles & apparel	9.73	81.0	29.4	NA	2.39	0.5	1,975
Stanley Electric	Japan	industrial equip	4.94	–1.3	30.4	7.4	1.78	1.1	582
Ezaki Glico	Japan	food processing	7.92	34.0	31.2	NA	2.13	0.9	942

*May 29, 1987. Includes all classes of shares. E: Estimate. NA: Not available or not applicable.

Source: Morgan Stanley Capital International Perspective

500 LARGEST FOREIGN COMPANIES

In 1985 the aggregate sales of these, the 500 largest companies outside the U.S., totaled $3.19 trillion. In 1986 the group's combined revenues came to $3.65 trillion—a 13% increase. Notice, however, that that increase chiefly reflects the weaker dollar. In fact, if one discounts currency fluctuations, their revenues were rather sluggish.

This sluggishness was reflected in the employment figures. In the aggregate the Forbes foreign 500 companies employed 24.1 million men and women last year. That's almost exactly the number they employed in 1985. As is the case with large U.S. corporations, then, large foreign companies may be efficient engines of industrial production. But they do not appear to be efficient engines of job creation.

The Western European economies have been sputtering along. Inflation remains low. Among the Organization for Economic Cooperation & Development's large European member states, inflation was well below 4% last year, and should be even less this year. But overall economic growth was also low—2.5% for the OECD's European members, down from 2.6% in 1985. Unemployment remains high, suggesting that the Europeans are not creating new jobs to replace the old jobs being sloughed off as the economies are transformed. On the other side of the globe, Japanese inflation was just 0.6% last year as Japan's GNP growth rate dropped from 4.7% in 1985 to 2.5% last year. Japanese exporters have been sent reeling by the shock of the rising yen. Many large Japanese companies have resorted to selling off real estate holdings to bolster their reported profits.

Of course, the big foreign companies, like their U.S. counterparts, have been prodded to streamline by global competition. Their managements are trying to squeeze more sales and profits from each worker. France's Peugeot Groupe SA, for example, has been restructuring (FORBES, *May 18*). Its work force shrank last year, from 176,800 to 165,000. But its sales rose 36%, to $15.2 billion, and its profits jumped ninefold, to $328 million.

In short, the Forbes foreign 500 look healthy because the U.S. dollar looked so sick. Measured against the yen, for instance, the dollar dropped 21% last year, and against the deutsche mark, 25%. Thus, sales at Volkswagen Group rose impressively in dollar terms (to $24 billion) but remained the same in deutsche mark terms. Virtually across the board, foreign companies' sales looked rosier when translated into weaker dollars.

Despite the sluggishness, the Forbes foreign 500 remain a muscular group of productive enterprises. The members will continue to offer rewarding opportunities to globally minded American businessmen and investors—and who can afford not to be globally minded these days?

As we have since our foreign 500 tables first appeared, we continue to rank the Forbes foreign 500 by sales. Mitsui is number one, with revenues of $81.8 billion. The Royal Dutch/Shell Group slipped from first place to fifth, thanks to continuing weakness in oil. Tate & Lyle Group is number 500, on sales last year of $2.4 billion. The small table at left summarizes the 25 largest foreign firms.

The complete tables begin on the facing page. To assist readers with unfamiliar company names, we again present the Forbes foreign 500 companies grouped within their industries. There are 33 industry groupings. They are arranged alphabetically: Aerospace & Defense, Automotive, Banking, Beverages and so on through Transportation and Utilities.

If you are looking for a particular company, simply turn to the index that starts on page 138. It lists all 500 companies alphabetically and tells where to find them.

The 25 largest companies outside the U.S.

Rank	Company/country	Industry	Revenue (millions)
1	Mitsui & Co Ltd/Japan	trading	$81,785
2	Mitsubishi Corp/Japan	trading	77,324
3	C Itoh & Co Ltd/Japan	trading	71,916
4	Sumitomo Corp/Japan	trading	65,110
5	Royal Dutch/Shell Group/Netherlands, UK	oil & gas	64,851
6	Marubeni Corp/Japan	trading	64,738
7	Nissho Iwai Corp/Japan	trading	42,900
8	British Petroleum Co Plc/UK	oil & gas	39,860
9	Nippon Telegraph & Telephone Corp/Japan	communications	33,493
10	Toyota Motor Corp/Japan	automotive	33,077
11	IRI Group/Italy	multicompany	31,576
12	Hitachi Ltd/Japan	multicompany	30,334
13	Daimler-Benz Group/Germany	automotive	30,163
14	Matsushita Electric Industrial Co/Japan	consumer electronics	26,614
15	PTT-Postes et Télécommunications/France	communications	25,899
16	Unilever/Netherlands, UK	food processing	25,145
17	Volkswagen Group/Germany	automotive	24,313
18	Toyo Menka Kaisha Ltd/Japan	trading	23,167
19	Deutsche Bundespost/Germany	communications	22,860
20	ENI-Ente Nazionale Idrocarburi/Italy	oil & gas	22,560
21	Philips Group/Netherlands	electrical equip	22,464
22	Nichimen Corp/Japan	trading	21,941
23	Nippon Life Insurance Co/Japan	insurance	21,777
24	Kanematsu-Gosho Ltd/Japan	oil & gas	21,527
25	Nestlé/Switzerland	food processing	21,152

The left-hand columns of our tables tell how a company's revenues rank among all 500 companies in the Forbes foreign 500 universe. Example: the Automotive industry, where Japan's Toyota Motor Co. heads the pack. The left-hand columns say that Toyota's sales ranked 10th last year (and 9th in 1985) among all Forbes foreign 500 companies. The fact that Toyota heads its own industry list tells you that Toyota is the world's largest automotive company outside the U.S. (The Forbes foreign 500 companies can be contrasted with large U.S. companies by easy reference to the Forbes 500s Annual Directory of American Business, which appears each April.)

As the world shrinks and U.S. businessmen and investors become accustomed to thinking in different currencies and stock exchanges, the Forbes foreign 500 tables become increasingly useful tools.

Suppose, for example, that you're an investor who thinks the Japanese will have to stimulate their domestic economy, which will be good for the country's retailers. But who are Japan's big retailers? We make that an easy question to answer. Beginning on page 131 are the 27 largest foreign retail companies, 9 of them Japanese. Any cheap ones in the group? Comparing the numbers in the market value column with those in the net income column shows that Japan's Ito-Yokado Co. Ltd. sells for 40 times earnings—modest compared to Daiei Inc.'s P/E multiple of 160. The price-to-sales (market value, divided by revenues) numbers are also immodest. Maybe you'll shift your attention to Britain's Marks & Spencer, at 17 times earnings and 1.11 times sales.

No tables, ours included, can promise to make investing easy for you. But they can get your research started.

As the world economy changes, there are, as usual, additions to and deletions from the Forbes foreign 500 of last year. Several Japanese companies—including Yamaha Motor and Fuji Electric—fell off the list as export sales sank and the strong yen translated into fewer dollars. Joining the list are some impressive newcomers. These include Britain's Guinness Plc., in hot water over its acquisition of Distillers Group, and Saatchi & Saatchi and Rupert Murdoch's News Corp. Ltd., both active on the merger circuit.

All told, companies from 30 countries are represented in the Forbes foreign 500. Among headquarters nations, Japan again leads with 144 companies. That is 9 fewer than last year, but the sales of Japanese companies overall were up 17%, to $1.4 trillion. In second place was the U.K., home to 72 companies, with revenues of $410 billion. West Germany trailed, with 63 companies headquartered there. Their combined sales came to $486 billion.

Rank 1986	Rank 1985	Company	Country	Fiscal year-end	Revenue[1] (millions)	Net income (millions)	Assets (millions)	Market value of common[2] (millions)	Employees (thousands)
		AEROSPACE & DEFENSE							
128	113	General Electric Co Plc	UK	Mar	$7,237	$624	$7,651	$7,234	165.0
222	252	Aérospatiale Group	France	Dec	4,887	44	8,496	none[3]	42.9
244	289	British Aerospace Plc	UK	Dec	4,602	124	4,832	1,903	75.5
437	483	Panavia Aircraft GmbH	Germany	Dec	2,836	4	3,620	none[3]	0.2
461	499	Rolls-Royce Plc	UK	Dec	2,644	176	1,983	none[3]	41.9
466	■	MBB-Messerschmitt-Bolkow-Blohm	Germany	Dec	2,595	NA	2,615[6]	none[3]	37.6
		AUTOMOTIVE							
10	9	Toyota Motor Corp	Japan	June	33,077	1,720	26,352	36,864	82.6
13	25	Daimler-Benz Group	Germany	Dec	30,163	831	24,059	26,848	320.0
17	23	Volkswagen Group	Germany	Dec	24,313	286	20,967	5,204	282.0
26	20	Nissan Motor Co Ltd	Japan	Mar	20,931	161	19,979	7,587	106.3
30	42	Fiat Group	Italy	Dec	19,678	1,450	28,128	14,404	230.3
33	48	Renault Group	France	Dec	18,923	–800	15,863	none[3]	182.4
36	50	Honda Motor Co Ltd	Japan	Feb	17,692	516	11,071	7,937	57.1
43	60	Peugeot Groupe SA	France	Dec	15,152	328	11,168	2,977	165.0
64	69	Volvo Group	Sweden	Dec	11,804	415	10,762	3,907	73.1
83	112	Robert Bosch Group	Germany	Dec	10,002	177	8,214	none[3]	147.4
85	116	Mazda Motor Corp	Japan	Oct	9,854	85	6,323	2,227	28.5[4]
109	132	BMW-Bayerische Motoren Werke	Germany	Dec	8,066	160[4]	4,662[4]	4,521	58.1
143	177	Michelin Group	France	Dec	6,689	274	8,036	2,751	119.3
165	237	Nippondenso Co Ltd	Japan	Dec	5,996	193	5,410	7,291	43.0

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The 500 largest foreign companies

Rank 1986	Rank 1985	Company	Country	Fiscal year-end	Revenue[1] (millions)	Net income (millions)	Assets (millions)	Market value of common[2] (millions)	Employees (thousands)
176	223	Isuzu Motors Ltd [4]	Japan	Oct	$5,780	$ –23	$4,015	$1,614	16.1
212	291	Asahi Glass Co Ltd	Japan	Dec	4,963	171	5,173	9,380	9.7[6]
213	262	Saab-Scania Group	Sweden	Dec	4,944	234[5]	4,614	2,099	47.4
231	302	Pirelli Group	Switzerland/Italy	Dec	4,714	141	3,851[6]	2,630[7]	68.9
232	272	Bridgestone Corp	Japan	Dec	4,704	125	4,739	2,659	33.4
315	371	Suzuki Motor Co Ltd	Japan	Mar	3,718	45	2,650	985	12.2[4]
336	374	Fuji Heavy Industries Ltd	Japan	Mar	3,538	88	2,737	1,115	14.1[4]
341	206	Rover Group Plc	UK	Dec	3,502	–1,309	2,739	none[3]	51.7
393	387	Kubota Ltd	Japan	Apr	3,057	36	4,116	3,126	18.0
402	366	GKN Plc	UK	Dec	3,021	47	2,462	974	44.9
417	446	Daihatsu Motor Co Ltd	Japan	June	2,937	27	2,076	862	17.5
493	496	Nissan Shatai Co Ltd [4]	Japan	Mar	2,471	16	894	347	7.0
		BANKING							
55	61	National Westminster Bank Plc	UK	Dec	13,271	901	122,862	6,046	94.0
56	65	Banque Nationale de Paris Group	France	Dec	13,056	433	141,871	none[3]	58.6
61	64	Barclays Group	UK	Dec	12,357	929	116,414	5,241	110.0
63	83	Société Générale Group	France	Dec	11,995	332	116,013	none[3]	43.7
65	68	Crédit Lyonnais Group	France	Dec	11,787	263	132,076	none[3]	54.6
80	95	Crédit Agricole	France	Dec	10,374[4]	224	154,407	none[3]	73.2
88	76	Dai-Ichi Kangyo Bank Ltd	Japan	Mar	9,603	320	204,943	29,506	20.2[4]
89	78	Midland Bank Group	UK	Dec	9,575	355	78,397	2,077	67.5
94	121	Deutsche Bank Group	Germany	Dec	9,182	486	132,535	13,734	50.6
95	84	Sumitomo Bank Ltd	Japan	Mar	9,178	367	179,251	35,400	14.0[4]
96	81	Fuji Bank Ltd	Japan	Mar	9,147	197	184,618	27,140	15.4[4]
97	103	Paribas Group	France	Dec	8,983	243	93,240	none[3]	28.0
103	101	Lloyds Bank Group	UK	Dec	8,603	729	70,523	3,514	71.3
108	97	Mitsubishi Bank Ltd	Japan	Mar	8,202	323	176,236	27,013	14.4[4]
111	99	Sanwa Bank Ltd	Japan	Mar	7,961	309	164,045	21,859	15.3[4]
114	119	Bank of Tokyo Ltd	Japan	Mar	7,879	345	145,101	10,431	13.6[4]
117	115	Industrial Bank of Japan Ltd	Japan	Mar	7,740	230	145,067	32,062	5.4[4]
133	153	Norinchukin Bank [4]	Japan	Mar	7,154	92	137,823	none[3]	3.1
134	107	Royal Bank of Canada	Canada	Oct	7,081	352	71,654	2,479	38.2
138	165	Dresdner Bank	Germany	Dec	6,875	226	101,412	5,198	36.8
162	126	Bank of Montreal	Canada	Oct	6,006	254	62,715	1,985	33.0
163	72	Banco do Brasil	Brazil	Dec	5,996	278	67,017	940	118.3
166	204	Suez Group	France	Dec	5,973	342	51,640	none[3]	17.6
171	155	Tokai Bank Ltd	Japan	Mar	5,897	156	116,385	12,390	13.3[4]
175	152	Long-Term Credit Bank of Japan Ltd [4]	Japan	Mar	5,813	135	107,850	13,576	3.4
180	144	Canadian Imperial Bank of Commerce	Canada	Oct	5,683	245	58,155	1,885	33.9
187	173	Banca Nazionale del Lavoro	Italy	Dec	5,372	179	72,695	none[3]	26.2
188	238	Union Bank of Switzerland	Switzerland	Dec	5,359	431	93,728	13,186	20.0

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		BANKING							
189	156	Mitsui Bank Ltd [4]	Japan	Mar	$5,355	$166	$113,817	$13,362	10.8
190	231	CARIPLO Group	Italy	Dec	5,325	169	52,782	none[3]	14.0
192	227	Westdeutsche Landesbank Group	Germany	Dec	5,290	56	76,370	none[3]	7.5
196	229	Sanpaolo Group	Italy	Dec	5,240	395	58,584	none[3]	17.8
197	198	Westpac Banking Group	Australia	Sept	5,231	192	38,093	1,747	45.3
199	285	Nippon Credit Bank Ltd	Japan	Mar	5,197	138	92,321	7,894	2.1
205	232	Generale Bank Group	Belgium	Dec	5,107	134	56,258	1,656	31.8
210	253	Commerzbank	Germany	Dec	4,997	187	76,335	3,315	25.7
218	175	Bancomer	Mexico	Dec	4,929	175	8,457	none[3]	32.9
219	274	Bayerische Vereinsbank Group	Germany	Dec	4,917	119	72,176	2,930	13.5
233	278	Swiss Bank Corp	Switzerland	Dec	4,698	375	84,895	10,995	15.8
238	211	Taiyo Kobe Bank Ltd [4]	Japan	Mar	4,664	100	100,063	7,221	14.1
247	89	BRADESCO Group	Brazil	Dec	4,574	284[N]	13,491[N]	1,275	147.1
250	244	Monte dei Paschi di Siena Banking Group	Italy	Dec	4,558	261	49,958	none[3]	16.5
253	189	Banamex-Banco Nacional de México	Mexico	Dec	4,541	172	9,978	none[3]	27.4
255	213	Australia & New Zealand Banking Group	Australia	Sept	4,525	112	35,530	1,687	39.0
257	51	Bank Hapoalim BM	Israel	Dec	4,511	80	25,686	18,953	8.3
262	199	Bank of Nova Scotia	Canada	Oct	4,469	242	46,049	2,038	26.2
274	293	Standard Chartered Group	UK	Dec	4,283	209	47,515	1,823	70.0
276	190	Bank of China	China	Dec	4,254	871	61,983	none[3]	32.0
281	312	CIC-Crédit Industriel et Commercial	France	Dec	4,206	129	43,463	758	26.9
286	343	Bayerische Hypotheken-und Wechsel-Bank	Germany	Dec	4,129	106	62,019	4,008	12.5
308	241	Toronto-Dominion Bank	Canada	Oct	3,761	290	37,010	2,529	20.2
320	320	Mitsubishi Trust & Banking Corp [4]	Japan	Mar	3,678	153	100,872	16,855	6.2
323	350	National Australia Bank Group	Australia	Sept	3,653	199	26,600	1,298	23.7
324	375	Sumitomo Trust & Banking Co Ltd [4]	Japan	Mar	3,633	154	99,200	16,900	6.0
327	363	Daiwa Bank Ltd [4]	Japan	Mar	3,617	80	84,728	9,805	9.5
335	394	Crédit Suisse	Switzerland	Dec	3,538	315	63,900	8,538	14.1
346	388	Bayerische Landesbank Girozentrale	Germany	Dec	3,431	67	62,569	none[3]	4.3
350	381	Banco di Napoli	Italy	Dec	3,378	37	43,327	none[3]	13.6
352	338	Commonwealth Banking Corp Group	Australia	June	3,364	194	26,849	none[3]	38.5
355	447	DG Bank Group	Germany	Dec	3,341	75	57,683	none[3]	4.9
359	461	Skandinaviska Enskilda Bank Group	Sweden	Dec	3,301	277[5]	28,018	2,192	8.5
373	348	Mitsui Trust & Banking Co Ltd	Japan	Mar	3,200	125	92,245[4]	12,695	5.7[4]
376	417	Kredietbank NV	Belgium	Mar	3,147	116	39,148	1,222	12.1
381	329	Nacional Financiera SA	Mexico	Dec	3,134	28	15,921	none[3]	3.5
385	■	Crédit Commercial de France Group	France	Dec	3,110	52	32,038	none[3]	12.5
389	425	Banco Central Group	Spain	Dec	3,085	182	63,967	2,450	24.6
396	98	Bank Leumi le-Israel BM	Israel	Dec	3,040	59	23,604	1,695	13.0
397	134	Banco Itaú Group	Brazil	Dec	3,035	148[N]	8,850[N]	329	74.7
399	390	Shoko Chukin Bank	Japan	Mar	3,026	27	56,922	none[3]	6.5

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		BANKING							
400	■	State Bank of India Group	India	Dec	$3,023	$34	$32,666	none[3]	280.0
403	383	Kyowa Bank [4]	Japan	Mar	3,007	86	61,907	$5,055	9.4
409	436	Banque Bruxelles Lambert	Belgium	Sept	2,977	57	36,245	792	14.0
421	497	Norddeutsche Landesbank Group	Germany	Dec	2,920	17	49,728	none[3]	5.9
428	492	Crédit Communal de Belgique	Belgium	Dec	2,871	27	32,391	none[3]	3.2
443	407	Yasuda Trust & Banking Co Ltd	Japan	Mar	2,759	84	77,164	9,080	5.0
444	■	PKbanken Group	Sweden	Dec	2,734	145[5]	26,063	1,038	4.5
445	■	ASLK-CGER	Belgium	Dec	2,716	62	30,902	none[3]	9.8
453	393	Saitama Bank Ltd [4]	Japan	Mar	2,676	76	55,085	4,988	8.5
456	468	Banco di Sicilia	Italy	Dec	2,671	16	24,432	none[3]	9.0
480	460	Svenska Handelsbanken	Sweden	Dec	2,532	241[5]	22,958	1,612	6.2
489	486	Japan Development Bank	Japan	Mar	2,489	104	43,578	none[3]	1.1
490	■	Royal Bank of Scotland Group Plc	UK	Sept	2,488	174	24,066	1,229	18.6
496	485	Banco Hispano Americano Grupo	Spain	Dec	2,452	109	22,512	1,380	19.8
499	415	Banco de la Nación Argentina	Argentina	Dec	2,431	108	9,264	none[3]	19.6
		BEVERAGES							
246	261	Allied-Lyons Plc	UK	Mar	4,582	288	6,999	3,281	77.5
328	445	Kirin Brewery Co Ltd	Japan	Jan	3,605	206	4,822	9,310	7.6[4]
392	467	Bass Plc	UK	Sept	3,059	208	3,498	3,562	76.9
413	■	Guinness Plc	UK	Dec	2,950E	114	4,475	3,529	32.0
487	■	Suntory Ltd	Japan	Mar	2,500E	NA	4,058	none[3]	4.8
		BUILDING PRODUCTS							
70	102	Saint-Gobain	France	Dec	11,222	182	12,075	1,924	142.4
380	■	Pilkington Brothers Plc	UK	Mar	3,139	185	3,035	2,077	54.1
495	■	Lafarge Coppée	France	Dec	2,463	167	3,152	2,596	17.9
		CHEMICALS & DRUGS							
29	31	BASF Group	Germany	Dec	19,840	419	14,858	7,586	131.5
34	36	Bayer Group	Germany	Dec	18,765	620	16,482	9,653	173.0
37	40	Hoechst Group	Germany	Dec	17,506	568	14,170	7,606	181.2
44	45	Imperial Chemical Industries Plc	UK	Dec	14,870	817	12,807	10,346	121.8
99	105	CIBA-GEIGY Group	Switzerland	Dec	8,869	709	13,735[6]	7,077	82.2
102	106	Montedison Group	Italy	Dec	8,609	215	12,841	4,178	66.6
121	130	Rhône-Poulenc Group	France	Dec	7,608	290	8,323	none[3]	77.2
129	111	NV DSM	Netherlands	Dec	7,229	168	4,576	none[3]	27.3
152	157	Akzo Group	Netherlands	Dec	6,373	343	5,214	2,877	66.8
158	161	Mitsubishi Chemical Industries	Japan	Jan	6,190	93	7,497	5,718	8.5[4]
226	254	Solvay Group	Belgium	Dec	4,842	190	4,504	1,608	44.8
239	287	Sandoz Group	Switzerland	Dec	4,648	301	5,242	4,433	42.6
243	225	Asahi Chemical Industry Co Ltd	Japan	Mar	4,621	88	4,865	6,023	22.0
268	219	Sumitomo Chemical Co Ltd	Japan	Dec	4,359	46	5,312	3,847	12.4

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		CHEMICALS & DRUGS							
269	270	**Roche/Sapac Group**	Switzerland	Dec	$4,348	$231	$7,917	$6,189	46.5
293	334	**Henkel Group**	Germany	Dec	4,014	98	3,260	none[3]	32.0
297	288	**Formosa Plastics Group**	Taiwan	Dec	3,955	NA	3,691	none[3]	40.1
351	351	**Courtaulds Plc**	UK	Mar	3,376	200	2,479	1,706	65.4
410	■	**CdF Chimie**	France	Dec	2,976	–376	1,066	none[3]	17.9
422	■	**Showa Denko KK**	Japan	Dec	2,918	91	4,627	1,979	5.0
458	430	**Ube Industries Ltd**	Japan	Mar	2,655	7	4,657	1,370	8.3[4]
488	465	**Takeda Chemical Industries Ltd**	Japan	Mar	2,496	105	3,829	12,894	13.3
		COMMODITIES							
47	85	**S&W Berisford Plc**	UK	Sept	14,241	171	2,645	793	10.9
142	163	**Ferruzzi Group**	Italy	Dec	6,700E	NA	NA	none[3]	18.8
299	264	**Alfred C Toepfer Internationale Gruppe**	Germany	Nov	3,928	NA	NA	none[3]	0.6
427	449	**Groupe Sucres et Denrées**	France	Dec	2,875	24	1,112	none[3]	5.2
446	260	**Canadian Wheat Board**	Canada	July	2,715	NA	3,795	none[3]	0.5
497	■	**BayWa München**	Germany	Dec	2,446	3	901	none[3]	10.4
		COMMUNICATIONS							
9	12	**Nippon Telegraph & Telephone Corp**	Japan	Mar	33,493	926	74,551	none[3]	300.0
15	41	**PTT-Postes et Télécommunications**	France	Dec	25,899	NA	NA	none[3]	472.1
19	27	**Deutsche Bundespost**	Germany	Dec	22,860	1,506	76,511	none[3]	487.1
48	56	**British Telecom**	UK	Mar	14,064	1,959	25,224	19,053	234.0
82	74	**Bell CanadaEnterprises**	Canada	Dec	10,027	737	17,178	7,134	109.9
217	298	**Schweizerische PTT**	Switzerland	Dec	4,934	308	12,596	none[3]	57.8
261	230	**British Post Office**	UK	Mar	4,474	234	5,996[R]	none[3]	185.3
265	258	**Telefonaktiebolaget LM Ericsson**	Sweden	Dec	4,442	92	5,020	1,258	68.2
292	328	**Netherlands PTT**	Netherlands	Dec	4,049	772	9,786	none[3]	95.6
354	420	**Telefónica**	Spain	Dec	3,342	323	14,719	5,443	63.0
440	391	**STC Group Plc**	UK	Dec	2,795	151	1,747	1,401	37.8
469	■	**Swedish Telecom Group**	Sweden	Dec	2,578	NA	6,397	none[3]	46.8
494	■	**Österreichische PTT**	Austria	Dec	2,470	196	10,593	none[3]	57.4
		CONSTRUCTION							
146	218	**Kajima Corp**	Japan	Nov	6,650	77	8,120	7,334	15.0
173	385	**Bouygues Group**	France	Dec	5,862	69	6,333	1,081	58.5
195	184	**Taisei Corp**	Japan	Mar	5,257	19	6,400	4,868	12.1
223	339	**Kumagai Gumi Co Ltd**	Japan	Sept	4,886	73	6,967	3,719	8.0[4]
230	255	**Shimizu Construction Co Ltd**	Japan	Mar	4,760	50	5,524	3,321	10.1
245	281	**Takenaka Komuten Co Ltd**	Japan	Dec	4,595	46	5,184	none[3]	8.9
325	332	**Ohbayashi Corp**	Japan	Mar	3,620	34	5,406	3,562	10.5
376	494	**Sekisui House Ltd**	Japan	Jan	3,180	70	4,523	4,662	9.1[4]
395	429	**Trafalgar House Plc**	UK	Sept	3,042	54	2,352	1,484	33.3
404	398	**Philip Holzmann AG**	Germany	Dec	3,005	12	1,373	482	27.4

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		CONSTRUCTION							
451	■	SAE-Société Auxiliaire d'Entreprises	France	Dec	$2,687	$32	$3,463	$647	23.8
477	■	Tarmac Plc	UK	Dec	2,545	162	1,776	1,943	25.1
		CONSUMER ELECTRONICS							
14	15	Matsushita Electric Industrial Co	Japan	Nov	26,614	952	26,926	23,296	135.9
119	143	Sony Corp	Japan	Oct	7,678	239	8,979	5,014	48.7
123	196	Electrolux Group	Sweden	Dec	7,453	244	7,128	3,230	129.9
136	129	Sanyo Electric Co Ltd	Japan	Nov	6,986	12	7,053	4,014	25.6
183	178	Sharp Corp	Japan	Mar	5,500	163	6,864	5,094	23.2[4]
248	233	THORN EMI Plc	UK	Mar	4,569	1	3,093	1,490	85.7
		CONSUMER GOODS							
140	135	Grand Metropolitan Plc	UK	Sept	6,761	385	6,121	5,751	131.5
272	344	Fuji Photo Film Co Ltd	Japan	Oct	4,328	355	5,871	8,687	17.2
348	276	Beecham Group Plc	UK	Mar	3,397	298	3,910	4,915	40.9
463	■	L'Oréal Group	France	Dec	2,618	125	2,518	2,823	26.7
		COOPERATIVE							
53	408	Metro-Deutschland Gruppe	Germany	Dec	13,800E	NA	NA	none[4]	91.0
74	96	REWE-Zentral Organisation	Germany	Dec	10,791	NA	NA	none[4]	90.0
101	140	Leclerc	France	Dec	8,663	NA	NA	none[4]	31.2
139	246	Edeka-Zentrale	Germany	Dec	6,770	NA	NA	none[4]	30.0
165	217	Migros-Genossenschafts-Bund	Switzerland	Dec	5,976	117	4,709	none[3]	43.5
184	222	STL-Finnish Wholesalers & Importers	Finland	Dec	5,484	NA	NA	none[3]	30.0
201	93	Selex & Tania Handels AG	Germany	Dec	5,158	NA	NA	none[4]	97.5
235	296	Coop Suisse	Switzerland	Dec	4,689	NA	NA	none[3]	31.2
236	307	Deutsche SPAR-Zentrale	Germany	Dec	4,683	NA	NA	none[3]	25.2
241	282	Co op AG	Germany	Dec	4,642	19	1,592	none[3]	39.7
285	207	KF-Coop Group	Sweden	Dec	4,138	26[5]	1,853	none[3]	27.0
313	104	GEDELFI	Germany	Dec	3,730	NA	NA	none[3]	0.2[4]
327	466	Systeme U	France	Dec	3,610	NA	NA	none[4]	0.3[4]
330	352	S Group	Finland	Dec	3,582	–3[4]	857[4]	none[3]	30.9
377	401	Eka Corporation	Finland	Dec	3,146	–2	3,584	none[3]	28.9
		ELECTRICAL EQUIPMENT							
21	22	Philips Group	Netherlands	Dec	22,464	369	21,703	4,656	346.9
28	24	Siemens Group	Germany	Sept	20,307	628	28,854	18,075	363.0
66	87	Cie Générale d'Electricité	France	Dec	11,681	167	26,082	none[3]	149.0
98	120	Le Groupe Thomson	France	Dec	8,980	127	12,439	none[3]	104.5
118	149	BBC-Brown Boveri Group	Switzerland	Dec	7,686	53	9,953	1,174	97.5
149	188	ASEA Group	Sweden	Dec	6,462	248	7,770	3,036	63.1
334	413	Matsushita Electric Works	Japan	Nov	3,509	80	3,046	5,480	16.4

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		ELECTRICAL EQUIPMENT							
372	373	Sumitomo Electric Industries Ltd	Japan	Mar	$3,214	$62	$3,627	$7,146	13.0[4]
378	377	BICC Plc Group	UK	Dec	3,144	47	1,713	832	45.6
426	409	Furukawa Electric Co Ltd	Japan	Mar	2,882	25	3,298	1,864	7.6[4]
		FINANCIAL							
198	428	Nomura Securities Co Ltd	Japan	Sept	5,225	1,225	19,053	34,018	9.4[4]
287	364	Crédit Foncier de France	France	Dec	4,112	32	43,886	1,282	3.7
358	■	Daiwa Securities Co Ltd	Japan	Sept	3,302	620	20,253	13,332	8.5
		FOOD DISTRIBUTION							
107	145	Aldi GmbH & Co KG	Germany	Dec	8,300E	NA	NA	none[3]	20.0
131	122	George Weston Ltd	Canada	Dec	7,216	85	2,299	1,183	54.0
240	286	Casino Groupe	France	Dec	4,642	52	1,689	1,130	39.4
298	360	ICA Group	Sweden	Dec	3,952	49[5]	1,196	none[3]	14.1
301	284	Provigo Inc	Canada	Jan	3,898	47	749	545	11.3
430	470	D Carnegie & Co	Sweden	Dec	2,865	25[5]	2,443	625	15.7
475	453	Oshawa Group Ltd	Canada	Jan	2,545	34	463	436	18.3
		FOOD PROCESSING							
16	14	Unilever	Netherlands/UK	Dec	25,145	974	20,338	12,661[7]	298.0
25	28	Nestlé	Switzerland	Dec	21,152	994	15,457	13,869	162.1
135	197	Dalgety Plc	UK	June	7,072	15	1,746	909	20.1
159	180	Taiyo Fishery Co Ltd	Japan	Jan	6,163	1	2,890	643	19.3
224	331	BSN-Groupe	France	Dec	4,855	156	4,347	2,657	42.8
303	301	Snow Brand Milk Products Co Ltd	Japan	Mar	3,839	14	1,929	1,542	13.9
343	345	Co-operative Wholesale Society Ltd	UK	Dec	3,484	13	1,034	none[3]	23.2
363	215	Associated British Foods Plc	UK	Mar	3,286	674	3,138	1,833	54.1
414	418	Unigate Group	UK	Mar	2,941	105	1,272	1,071	33.7
423	477	Jacobs Suchard Group	Switzerland	Dec	2,910	106	2,311	2,310	10.1
448	416	Cadbury Schweppes Plc	UK	Dec	2,699	150	1,886	1,539	27.7
457	437	United Biscuits (Holdings) Plc	UK	Dec	2,668	111	1,595	1,402	40.0
500	509	Tate & Lyle Group	UK	Sept	2,417	39	1,182	574	12.5
		INDUSTRIAL EQUIPMENT							
42	43	Mitsubishi Heavy Industries Ltd	Japan	Mar	15,981	300	20,642	7,553	88.6
112	131	Mannesmann Group	Germany	Dec	7,937	36	6,024	2,255	111.1
215	179	M A N Group	Germany	June	4,940	49	5,733	969	56.0
237	304	Komatsu Ltd	Japan	Dec	4,680	87	6,183	2,539	23.0
273	248	Ishikawajima-Harima Heavy Industries Co	Japan	Mar	4,297	21	8,014	3,371	24.2[4]
429	■	Hyundai Heavy Industries Co Ltd	Korea	Dec	2,866	3	2,872	none[3]	50.3
436	443	SKF Group	Sweden	Dec	2,840	82	3,349	1,254	44.9
482	■	Sulzer Group	Switzerland	Dec	2,528	37	4,277	552	31.2

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		INDUSTRIAL GASES							
408	471	**L'Air Liquide Group**	France	Dec	$2,980	$180	$4,756	$4,412	25.0
433	434	**BOC Group Plc**	UK	Sept	2,856	–22	3,462	2,466	35.9
		INSURANCE							
23	30	**Nippon Life Insurance Co**	Japan	Mar	21,777	2,735	70,171	none[3]	14.4
49	59	**Zenkyoren**	Japan	Mar	14,004	NA	62,443	none[3]	7.9
59	63	**Dai-ichi Mutual Life Insurance**	Japan	Mar	12,791	1,732	46,483	none[3]	11.0
71	92	**Sumitomo Life Insurance Co**	Japan	Mar	11,211	1,401	38,910	none[3]	10.7
100	137	**Allianz Worldwide**	Germany	Dec	8,850E	NA	9,411[4,6]	15,140	28.3
122	151	**Meiji Mutual Life Insurance Co**	Japan	Mar	7,461	931	25,424	none[3]	10.2
141	195	**Zurich Insurance Group**	Switzerland	Dec	6,704	78[4]	7,424[4]	5,273	23.8
148	187	**Prudential Corp Plc**	UK	Dec	6,516	173	38,023	4,291	29.9
150	191	**Generali Group**	Italy	Dec	6,435	269	16,688	17,138	18.5
151	186	**Nationale-Nederlanden**	Netherlands	Dec	6,423	259	31,877	4,055	22.5
153	194	**UAP-Union des Assurances de Paris**	France	Dec	6,371	314	15,673	3,123	16.7
157	192	**Asahi Mutual Life Insurance**	Japan	Mar	6,229	827	22,775	none[3]	8.6
160	203	**Royal Insurance Plc**	UK	Dec	6,146	365	17,253	2,949	22.0
214	259	**Mitsui Mutual Life Insurance Co**	Japan	Mar	4,942	645	17,072	none[3]	30.2
252	319	**Winterthur Group**	Switzerland	Dec	4,545	96	15,337	4,274	13.2
254	362	**AGF-Assurances Générales de France**	France	Dec	4,533	231	11,979	2,989	12.2
256	290	**Münchener Rückversicherungs**	Germany	June	4,521	23	11,148	8,352	2.8
270	193	**Swiss Re Group**	Switzerland	Dec	4,340[5]	59[6]	12,892[6]	3,324	14.5
275	309	**Commercial Union Assurance Co Plc**	UK	Dec	4,279	235	16,831	1,637	18.1
279	283	**Yasuda Mutual Life Insurance Co**	Japan	Mar	4,213	634	14,685	none[3]	22.7
284	321	**Sun Alliance & London Insurance Plc**	UK	Dec	4,149	186	14,851	1,876	13.8
296	277	**Sun Life Assurance Co**	Canada	Dec	3,998	133	13,944	none[3]	6.0
311	382	**General Accident Fire & Life Assurance**	UK	Dec	3,739	163	7,389	2,183	14.0
318	367	**Guardian Royal Exchange Plc**	UK	Dec	3,710	149	12,505	1,828	15.4
333	■	**Australian Mutual Provident Society**	Australia	Dec	3,548	NA	14,799	none[3]	6.2
344	■	**AXA Group**	France	Dec	3,478	183	8,086	none[3]	8.3
360	451	**AMEV NV**	Netherlands	Dec	3,295	132	11,653	1,816	10.8
361	369	**Tokio Marine & Fire Insurance Co Ltd**	Japan	Mar	3,291	198	21,341	15,472	11.1
364	330	**Manufacturers Life Insurance Co**	Canada	Dec	3,284	150	13,850	none[3]	4.7
365	■	**GAN-Groupe des Assurances Nationales**	France	Dec	3,280	199	9,879	1,450	8.6
366	463	**Swiss Life Insurance & Pension Co**	Switzerland	Dec	3,276	434	16,350	none[3]	4.1
374	406	**Great-West Lifeco**	Canada	Dec	3,195	38	9,482	959	2.9
388	410	**AEGON Insurance Group**	Netherlands	Dec	3,091	134	17,239	1,403	8.3

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		INSURANCE							
394	400	Nissan Fire & Marine Insurance [4]	Japan	Mar	$3,052	$13	$2,400	$1,181	3.3
425	481	Standard Life Assurance Co	UK	Nov	2,901	1,193	17,333	none[3]	5.0
435	462	Crownx	Canada	Dec	2,846	35	6,556	401	29.9
441	440	Legal & General Group	UK	Dec	2,790	101	17,037	1,752	7.0
465	476	Yasuda Fire & Marine Insurance Co Ltd [4]	Japan	Mar	2,597	51	8,142	4,653	10.6
		MINING							
87	100	Ruhrkohle	Germany	Dec	9,635	40	9,211	none[3]	132.6
125	397	British Coal	UK	Mar	7,357	–69	9,522	none[3]	199.6
369	■	CRA Limited	Australia	Dec	3,229	–75	5,487	2,721	27.2
442	404	Saarberg Group	Germany	Dec	2,772	–81	2,396	none[3]	29.8
		MULTICOMPANY							
11	11	IRI Group	Italy	Dec	31,576	197	73,632	none[3]	471.4
12	13	Hitachi Ltd	Japan	Mar	30,334	617	36,531	19,642	161.3
27	37	Toshiba Corp	Japan	Mar	20,695	214	22,517	11,236	121.0
35	32	VEBA Group	Germany	Dec	17,698	474	15,839	6,106	69.7
38	44	B.A.T Industries Plc	UK	Dec	17,330	1,273	13,809	10,205	176.4
40	35	Samsung Group	Korea	Dec	16,581	183	10,949	none[3]	147.2
52	58	Thyssen Group	Germany	Sept	13,818	150	8,673	1,999	127.4
68	73	Lucky-Gold Star Group	Korea	Dec	11,474	132	7,279	none[3]	75.0
69	90	Daewoo Group	Korea	Dec	11,244	54	13,125	none[3]	91.9
73	62	Canadian Pacific Ltd	Canada	Dec	10,810	–58	12,821	3,879	93.8
77	86	ÖIAG-Österreichische Industrie Verwaltungs AG	Austria	Dec	10,532	–668	11,753	none[3]	96.3
79	66	INI Group	Spain	Dec	10,423	–837	24,872	none[3]	169.9
92	94	Mitsubishi Electric Corp	Japan	Mar	9,542	136	10,206	4,983	71.5
126	174	Norsk Hydro a s	Norway	Dec	7,336	–51	8,203	1,665	43.1
154	308	Hanson Trust Plc	UK	Sept	6,334	536	9,664	7,439	92.0
162	125	Sunkyong Group	Korea	Dec	6,027	70	2,897	none[3]	19.5
168	141	Barlow Rand Group	South Africa	Sept	5,961	151	4,570	1,495	144.0
173	167	BTR Plc	UK	Dec	5,896	631	4,720	6,745	79.4
207	243	Klöckner & Co	Germany	Dec	5,087	10	1,536	none[3]	10.0
264	240	SHV Holdings NV	Netherlands	Dec	4,455	68	1,939	none[3]	20.6
267	311	Feldmühle Nobel Group	Germany	Dec	4,429	66	3,269	1,042	42.9
277	221	VIAG Group	Germany	Dec	4,234	60	3,107	944	22.0
309	210	Axel Johnson Group	Sweden	Dec	3,750E	NA	NA	none[3]	22.6
314	226	Preussag Group	Germany	Dec	3,725	36	2,491	806	27.4
316	299	Kawasaki Heavy Industries Ltd	Japan	Mar	3,714	–6	5,423	1,481	24.7
317	269	Ssangyong Group	Korea	Dec	3,714	31	3,776	none[3]	16.4[4]

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		MULTICOMPANY							
491	517	**Koor Industries**	Israel	Dec	$2,473	$23	$3,384	none[3]	32.5
337	354	**Koç Group**	Turkey	Dec	3,537	84	1,195	none[3]	31.0
371	357	**Haci Ömer Sabanci Holding Corp**	Turkey	Dec	3,215	125	3,205	none[3]	27.9
412	378	**Korea Explosives Group**	Korea	Dec	2,962	35	2,487	none[3]	17.8
432	489	**Peninsular & Oriental Steam Navigation**	UK	Dec	2,864	223	3,414	$2,496	35.6
447	432	**Hyosung Group**	Korea	Dec	2,710	34	2,268	none[3]	24.0
468	■	**Ladbroke Group Plc**	UK	Dec	2,590	124	2,419	1,528	25.0
485	448	**International Thomson Organisation**	Canada	Dec	2,509	142	2,704	2,939	20.7
		NONFERROUS METALS							
168	146	**Alcan Aluminium Ltd**	Canada	Dec	5,956	218	7,118	2,967	67.0
209	239	**Pechiney**	France	Dec	5,005	–65	6,195	none[3]	49.9
221	114	**RTZ Corporation Plc**	UK	Dec	4,906	355	6,245	3,221	49.1
234	251	**Degussa AG**	Germany	Sept	4,695	50	2,240	1,402	25.0
280	266	**Metallgesellschaft AG**	Germany	Sept	4,211	28	2,594	837	25.5
379	313	**Alusuisse**	Switzerland	Dec	3,140	–382	3,587	545	25.3
464	441	**Mitsubishi Metal Corp**	Japan	Mar	2,605	25	3,203	1,823	5.8[4]
476	402	**Noranda**	Canada	Dec	2,545	31	4,309	2,037	26.5
		OFFICE EQUIPMENT							
76	80	**NEC Corp**	Japan	Mar	10,560	123	14,400	18,200	95.8
120	124	**Fujitsu Ltd**	Japan	Mar	7,652	176	10,422	10,602	84.3
194	236	**Canon Inc**	Japan	Dec	5,277	64	6,345	3,664	35.5
220	317	**Olivetti Group**	Italy	Dec	4,908	379	7,377	4,295	60.0
452	464	**Ricoh Co Ltd**	Japan	Mar	2,686	70	2,899	2,842	26.0
471	■	**Groupe Bull**	France	Dec	2,569	–29	2,577	1,021	26.8
		OIL & GAS							
5	1	**Royal Dutch/Shell Group**	Netherlands/UK	Dec	64,851	3,726	76,050	41,628[7]	138.0
8	7	**British Petroleum Co Plc**	UK	Dec	39,860	732	41,839	19,665	126.7
20	10	**ENI-Ente Nazionale Idrocarburi**	Italy	Dec	22,560	342	32,018	none[3]	129.9
24	26	**Kanematsu-Gosho Ltd**	Japan	Mar	21,527	7	7,075	394	2.8
39	18	**Elf Aquitaine Group**	France	Dec	17,286	618	24,008	4,886	71.4
46	34	**Petrobrás-Petróleo Brasileiro SA**	Brazil	Dec	14,704	2,074[8]	15,484[8]	2,033	64.3
50	47	**Kuwait Petroleum Corp**	Kuwait	June	13,912	185	18,873	none[3]	15.4[4]
51	19	**TOTAL Group-Française des Pétroles**	France	Dec	13,820	–68	11,991	2,286	40.3
54	49	**Nippon Oil Co Ltd**	Japan	Mar	13,688	58	8,331	8,820	7.3[4]
72	16	**Pemex-Petróleos Mexicanos**	Mexico	Dec	11,033	1,231	30,915	none[3]	155.9
86	67	**Nederlandse Gasunie Group**	Netherlands	Dec	9,698	33	2,844	none[3]	1.9
90	55	**Idemitsu Kosan Co Ltd** [4]	Japan	Mar	9,567	5	8,473[6]	none[3]	5.9
93	54	**Petróleos de Venezuela SA**	Venezuela	Dec	9,250	1,196	18,964	none[3]	45.3

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		OIL & GAS							
104	79	INH-Instituto Nacional de Hidrocarburo	Spain	Dec	$8,569	NA	$6,714	none[3]	19.9
105	208	Cosmo Oil Co Ltd	Japan	Mar	8,535E	$37	1,571[6]	$1,375	3.7[4]
110	77	Indian Oil Corp Ltd	India	Mar	8,028	105	3,000	none[3]	31.4
116	71	Petrofina SA	Belgium	Dec	7,848	411	8,157	4,457	22.2
145	138	Statoil Group	Norway	Dec	6,652	155	6,812	none[3]	8.5
155	139	Ruhrgas	Germany	Dec	6,331	205	2,617	none[3]	3.0[4]
186	154	Chinese Petroleum Corporation	Taiwan	Dec	5,405	1,362	5,492	none[3]	22.5
206	164	Nippon Mining Co Ltd	Japan	Mar	5,102	25	4,589	1,981	6.0
211	148	Neste Group	Finland	Dec	4,977	–91	4,237	none[3]	10.4
227	171	Mitsubishi Oil Co Ltd	Japan	Mar	4,830	77	3,619	781	2.6[4]
258	333	CEA-Industrie Groupe	France	Dec	4,490	173	12,905	none[3]	31.9
278	181	YPF-Yacimientos Petrolíferos Fiscales	Argentina	Dec	4,228	–230[8]	9,009[8]	3,131	32.5
289	176	Toa Nenryo Kogyo KK	Japan	Dec	4,101	253	4,198	5,234	2.3[4]
320	245	Petro-Canada	Canada	Dec	3,662	131	5,896	none[3]	7.7
387	353	General Sekiyu Group	Japan	Mar	3,102	55	2,072	724	1.7
406	201	Türkiye Petrolleri AO	Turkey	Dec	2,995	489	3,265	none[3]	18.5
407	292	TransCanada PipeLines Ltd	Canada	Dec	2,983	44	4,324	1,506	2.0
431	457	Gulf Canada Corp	Canada	Dec	2,864	226	4,825	2,215	21.1
450	■	Hindustan Petroleum Corporation Ltd	India	Mar	2,689	35	348	none[3]	8.4
481	326	CEPSA-Cia Española de Petróleos	Spain	Dec	2,529	74	1,247	667	3.8[4]
		OILFIELD SERVICE							
249	133	Schlumberger Ltd	Neth Antilles	Dec	4,568	–2,018	8,012	8,927	49.7
362	314	McDermott International	Panama	Mar	3,289	–113	4,383	805	33.0
		PAPER & PACKAGING							
473	450	Toyo Seikan Kaisha Ltd	Japan	Mar	2,560	87	2,279	2,268	14.3
492	478	Oji Paper Co Ltd	Japan	Mar	2,472	80	2,959	2,688	5.6[4]
		PUBLISHING							
304	349	Dai Nippon Printing Co Ltd	Japan	May	3,825	124	3,425	7,874	13.8
332	379	Toppan Printing Co Ltd	Japan	May	3,551	86	3,013	6,013	14.3
391	■	Saatchi & Saatchi Plc	UK	Sept	3,065	64	1,281	1,160	9.8
398	421	Bertelsmann Aktiengesellschaft	Germany	June	3,033	131	2,085	none[3]	31.6
434	384	Reed International Plc	UK	Mar	2,852	190	2,351	2,145	35.0
454	■	News Corporation Ltd	Australia	June	2,676	172	5,729	3,065	22.1
		RETAILING							
81	118	Daiei Inc	Japan	Feb	10,060	18	5,456	2,439	14.8[4]
113	162	Ito-Yokado Co Ltd	Japan	Feb	7,903	214	4,150	8,768	26.7
130	108	Coles Myer Ltd	Australia	July	7,227	66	2,174	1,805	139.2
147	214	Vendex International Group	Netherlands	Jan	6,638	126	2,956[8]	none[3]	61.0

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		RETAILING							
156	166	Marks & Spencer Plc	UK	Mar	$6,299	$412	$3,740	$7,004	45.1
171	250	Seiyu Ltd	Japan	Feb	5,919	32	4,201	1,275	24.4
175	234	Nichii Co Ltd	Japan	Feb	5,853	54	3,767	2,709	32.6
178	247	Jusco Co Ltd	Japan	Feb	5,780	44	3,309	2,282	19.2
200	279	Takashimaya Co Ltd	Japan	Feb	5,165	68	2,209[6]	1,931	7.8[4]
202	361	Otto Versand-Group	Germany	Feb	5,150E	67	893	none[3]	23.2
204	267	Karstadt Group	Germany	Dec	5,128	45	2,212	1,803	66.3
251	341	Daimaru	Japan	Feb	4,546	7	1,693	857	7.7[4]
260	337	Mitsukoshi	Japan	Feb	4,475E	8	1,224[4]	3,250	11.5[4]
288	249	Hudson's Bay Co	Canada	Jan	4,108	–5	3,208	497	41.0
305	392	Kaufhof	Germany	Dec	3,790	29	1,826	1,893	44.0
322	306	Woolworths Ltd	Australia	Jan	3,651	23	942	585	63.0
339	358	Boots Co Plc	UK	Mar	3,510	244	2,266	3,134	67.0
337	335	Imasco Ltd	Canada	Mar	3,326	134	4,138	2,804	62.8
367	347	Sears Plc	UK	Jan	3,266	209	2,461	2,729	64.6
368	■	Uny Co Ltd	Japan	Feb	3,247	48	2,022	1,506	8.9
383	376	Great Universal Stores Plc	UK	Mar	3,127	262	3,562	3,816	43.4
405	■	C & A Brenninkmeyer	Germany	Dec	3,000E	100E	NA	none[3]	20.0
411	■	GB-Inno-BM	Belgium	Jan	2,968	35	1,165	712	19.3
438	411	South African Breweries Ltd	South Africa	Mar	2,811	128	2,145	1,891	79.1
449	442	Woolworth Holdings Plc	UK	Jan	2,694	10	2,195	1,908	34.0
460	■	Docks de France	France	Dec	647	21	855	360	19.1
467	484	Littlewoods Organisation Plc	UK	Dec	2,593	65	1,338[6]	none[3]	35.5
		STEEL							
57	52	Nippon Steel Corp	Japan	Mar	13,032	185	21,135	7,050	65.0[4]
78	228	Groupe Usinor Sacilor	France	Dec	10,436	–1,787	12,526	none[3]	95.3
127	128	Krupp Group	Germany	Dec	7,298	36	5,584	none[3]	68.0
161	127	Nippon Kokan KK	Japan	Mar	6,085	30	14,247	4,841	38.1
170	150	Broken Hill Proprietary Co Ltd	Australia	May	5,934	707	11,859	7,467	61.0
181	168	Kawasaki Steel Corp	Japan	Mar	5,584	84	10,889	3,263	26.7[4]
182	159	Kobe Steel Ltd	Japan	Mar	5,582	30	10,614	2,091	27.8[4]
185	160	Sumitomo Metal Industries Ltd	Japan	Mar	5,459	84	12,679	2,358	26.5[4]
203	183	British Steel Corp	UK	Mar	5,145	52	6,045	none[3]	67.1
300	316	Cockerill Sambre Groupe	Belgium	Dec	3,902	–90	3,710	874	28.8
312	342	Salzgitter	Germany	Sept	3,731	25	3,917	none[3]	38.9
345	356	Steel Authority of India Ltd	India	Mar	3,433	130	7,024	none[3]	207.8
349	396	Hoesch Group	Germany	Dec	3,395	125	3,299	432	32.4
370	412	Klöckner-Werke AG	Germany	Sept	3,212	0[4]	2,597[4]	302	35.2
382	305	Siderbrás Group	Brazil	Dec	3,133	–597	19,916	none[3]	79.2
462	452	Hoogovens Groep	Netherlands	Dec	2,631	63	3,335	387	27.4
478	435	Pohang Iron & Steel Co Ltd	Korea	Dec	2,543	70	5,200	none[3]	19.1

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			SUPERMARKETS						
58	70	Tengelmann Group	Germany	June	$13,000E	NA	NA	none[3]	112.6E
124	172	Carrefour Group	France	Dec	7,432	$94	$3,089	$2,351	37.6
179	182	J Sainsbury Plc	UK	Mar	5,756	236	2,594	4,405	43.8
191	202	Tesco Plc	UK	Feb	5,324	176	1,941	2,472	45.3
242	303	Promodès Group	France	Dec	4,632	19	1,514	413	27.9
266	280	Ahold	Netherlands	Dec	4,434	53	1,377	983	31.9
295	346	Dee Corporation Plc	UK	Apr	4,001	93	1,643	2,743	47.9
307	327	Delhaize "Le Lion" Group	Belgium	Dec	3,784	30	1,009	710	30.5
334	368	ASDA-MFI Group Plc	UK	Apr	3,539	161	1,413	2,613	41.3
401	405	Argyll Group Plc	UK	Mar	3,022	75	1,312	963	58.0
420	359	Steinberg Inc	Canada	July	2,920	28	886	547	34.5
474	■	Euromarché SA	France	Dec	2,554	23	1,009	478	12.6
			TEXTILES						
331	315	Toray Industries	Japan	Mar	3,560	46	4,485	4,355	28.3
459	422	Teijin Ltd	Japan	Mar	2,653	78	3,004	3,638	7.0[4]
472	475	Coats Viyella Plc	UK	Dec	2,567	159	2,023	1,789	70.7
484	480	Kanebo Ltd	Japan	Apr	2,513	2	3,073	1,299	26.5
			TRADING						
1	2	Mitsui & Co Ltd	Japan	Mar	81,785	53	30,036	3,986	11.4
2	3	Mitsubishi Corp	Japan	Mar	77,324	146	32,142	9,358	14.1
3	4	C Itoh & Co Ltd	Japan	Mar	71,916	84	26,702	5,092	10.0
4	6	Sumitomo Corp	Japan	Mar	65,110	149	16,433	4,600	11.8
6	5	Marubeni Corp	Japan	Mar	64,738	–67	28,861	2,845	10.6
7	8	Nissho Iwai Corp	Japan	Mar	42,900	35	16,455	1,624	7.3
18	17	Toyo Menka Kaisha Ltd	Japan	Mar	23,167	12	8,207	773	5.0
22	21	Nichimen Corp	Japan	Mar	21,941	20	8,691	578	3.1[4]
115	123	Kawasho Corp[4]	Japan	Sept	7,870	3	3,838	243	1.7
144	147	Toyoda Tsusho Kaisha Ltd	Japan	Mar	6,680	25	2,212	679	1.7[4]
228	216	Franz Haniel & Cie GmbH	Germany	Dec	4,797	34	1,449	none[3]	18.1
259	325	Kesko Group	Finland	Dec	4,490	13	1,978	266	8.1
263	■	Hyundai Corp	Korea	Dec	4,465	6	261	50	1.1
283	336	Tohoku Ltd	Japan	Oct	4,156	3	1,913	197	0.9
302	318	Lonrho Group	UK	Sept	3,894	94	3,262	1,129	115.6
310	169	Elders IXL Ltd	Australia	June	3,746	142	3,247	1,752	26.8
353	438	Itoman & Co Ltd	Japan	Sept	3,363	10	4,369	527	1.4[4]
386	370	Hanwa Co Ltd[4]	Japan	Mar	3,103	21	3,569	1,354	1.1
390	380	Chori Co Ltd	Japan	Mar	3,080	6	1,487	144	1.5[4]
418	431	Inchcape Plc	UK	Dec	2,930	28	1,677	638	45.9
424	365	Fletcher Challenge Ltd	New Zealand	June	2,901	131	2,274	2,436	22.3
455	395	Shinsho Corp[4]	Japan	Mar	2,673	1	1,229	340	1.1

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		TRANSPORTATION							
41	29	Japan Railways Group	Japan	Mar	$16,070	$ –8	$81,995	none[3]	276.8
60	75	Deutsche Bundesbahn	Germany	Dec	12,558	–1,530	35,456	none[3]	272.8
91	110	SNCF	France	Dec	9,548	–560	20,310	none[3]	228.5
216	273	Deutsche Lufthansa AG	Germany	Dec	4,940	32	3,419	$1,464	37.9
225	212	British Airways Plc	UK	Mar	4,843	227	3,342	none[3]	40.4
229	220	Nippon Express Co Ltd	Japan	Mar	4,703	38	3,548	7,701	47.6[4]
271	275	British Railways Board	UK	Mar	4,333	2	3,361	none[3]	178.4
282	257	Japan Air Lines Co Ltd	Japan	Mar	4,183	–18	4,819	11,728	25.1
294	300	Air France	France	Dec	4,007	98	2,932	none[3]	35.3
306	294	Nippon Yusen Kaisha Line	Japan	Mar	3,787	23	4,523	2,829	3.9[4]
338	265	Canadian National Railway System	Canada	Dec	3,513	62	5,681	none[3]	56.7
356	185	South African Transport Services	South Africa	Mar	3,339	–165	9,735	none[3]	221.7
384	433	Danzas Group	Switzerland	Dec	3,113	5[4]	419[4]	none[3]	11.6
416	459	SAS Group	Sweden	Sept	2,938	NA	2,445	none[3]	31.8
479	454	Kinki Nippon Railway Co Ltd	Japan	Mar	2,536	59	4,831	6,599	12.9[4]
483	■	SNCB-Belgian National Railways	Belgium	Dec	2,522	NA	NA	none[3]	54.1
486	458	Mitsui OSK Lines Ltd	Japan	Mar	2,500	9	3,597	1,356	4.6
		UTILITY							
31	39	Electricité de France	France	Dec	19,347	82	63,052	none[3]	124.3
32	33	Tokyo Electric Power Co[4]	Japan	Mar	18,946	587	52,179	65,196	39.5
45	53	The Electricity Council	UK	Mar	14,799	1,991	60,012[8]	none[3]	131.5
62	57	ENEL	Italy	Dec	12,089	9	38,319	none[3]	112.2
67	82	RWE Group	Germany	June	11,486	176	15,272	3,725	70.3
75	88	British Gas Plc	UK	Mar	10,590	993	29,693[8]	none[3]	91.9
84	91	Kansai Electric Power Co[4]	Japan	Mar	9,908	346	25,936	22,831	24.5
10[illegible]	109	Chubu Electric Power[4]	Japan	Mar	8,456	420	17,874	17,454	19.6
132	136	Gaz de France	France	Dec	7,190	217	8,892	none[3]	28.8
137	170	Générale des Eaux Groupe	France	Dec	6,936	111	6,634	2,652	74.7
193	200	Tohoku Electric Power Co[4]	Japan	Mar	5,288	196	13,152	9,172	12.8
208	205	Kyushu Electric Power[4]	Japan	Mar	5,068	195	14,142	7,686	15.0
290	242	Korea Electric Power Corp	Korea	Dec	4,100E	NA	13,760[6]	none[3]	22.8
291	268	Chugoku Electric Power Co[4]	Japan	Mar	4,089	170	10,415	5,885	11.7
324	322	Tokyo Gas Co Ltd	Japan	Mar	3,623	143	4,200	19,189	13.1[4]
329	324	Taiwan Power Co	Taiwan	June	3,584	698	14,451	none[3]	22.4
342	297	Ontario Hydro	Canada	Dec	3,493	178	22,714	none[3]	32.4
347	310	Hydro-Québec	Canada	Dec	3,407	218	22,157	none[3]	18.5
415	427	INTERCOM	Belgium	Dec	2,938	181	6,738	2,319	8.8[4]
419	389	Osaka Gas Co Ltd	Japan	Mar	2,921	135	3,990	7,406	10.1[4]
439	482	VEW-Vereinigte Elektrizitätswerke	Germany	Dec	2,800	220	8,304	1,597	7.3
470	490	Escom	South Africa	Dec	2,577	88	16,334	none[3]	60.8
498	■	Bayernwerk	Germany	Sept	2,444	81	9,861	none[3]	9.5

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THE 100 LARGEST FOREIGN INVESTMENTS IN THE U.S.

Shades of the late 1970s? Now, as then, the dollar is cheap, and acquisitive European and Japanese companies have been rushing in to buy. Last year, says Merrill Lynch's senior international bond analyst Lawrence Kreicher, over $179 billion poured into the U.S. from abroad. Of that, around $154 billion went into financial assets, mainly U.S. Treasurys, leaving $25 billion for direct foreign investment in U.S. plant, equipment, services and real estate.

Several foreign companies acquired their way onto the list for the first time. West German publisher Bertelsmann, for example, paid $500 million for Doubleday and finally closed on its purchase of RCA Corp.'s record business. Now ranked 59th on our list, Bertelsmann generates sales of nearly $1.5 billion in the U.S. Other newcomers to the list: Canada's Campeau Corp., which bought Allied Stores (owner of the Brooks Brothers and Ann Taylor chains); the U.K.'s Dixons Group Plc., which bought Pittsburgh's Cyclops; and Petróleos de Venezuela, which bought half of Citgo Petroleum and 50% of Champlin Refining of Texas.

Of the nine deletions from our list, three were knocked off by the decline in their oil operations: Ultramar, Broken Hill Proprietary and Canada Development. They were hit by weaknesses in both the dollar and the demand for oil, which is priced in dollars. Are oil and the dollar now good investments? Could well be.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)	Assets (millions)
1	**Seagram Co Ltd***	Canada	EI du Pont de Nemours*	23%	chemicals, energy	$27,148	$1,538.0	$26,733
			Joseph E Seagram & Sons	100	alcoholic beverages	2,029	337.6	6,301
						29,177		
2	**Royal Dutch/Shell Group***	Netherlands/ UK	Shell Oil	100	energy, chemicals	17,353	883.0	26,214
3	**British Petroleum Plc***	UK	Standard Oil Ohio*	95	energy	9,219	–45.0	15,955
			BP North America	100	energy	4,228	4.0	4,224
						13,447		
4	**B.A.T Industries Plc***	UK	BATUS	100	multicompany	5,499	393.7	4,242
	*Imasco Ltd**	Canada	Peoples Drug Stores	100	drugstores	1,366	NA	NA
			Imasco USA	100	fast food	1,206	NA	NA
						8,071		
5	**Tengelmann Group**	Germany	Great A&P Tea*	52	supermarkets	7,835	69.0	2,080
6	**Unilever NV***	Netherlands	Chesebrough-Pond's	100	personal care	2,731	159.4	NA
			Lever Brothers	100	consumer goods	2,475	–18.5	837
			Thomas J Lipton	100	food & beverages	1,303	91.4	827
			National Starch & Chem	100	adhesives, starch	1,064	71.8	743
						7,573		
7	**Nestlé***	Switzerland	Nestlé Enterprises	100	food, restaurants	3,400E	NA	NA
			Carnation	100	food	2,500E	NA	NA
			Alcon Laboratories	100	optical products	400E	NA	NA
						6,300E		
8	**Mitsui & Co Ltd***	Japan	Mitsui & Co USA	100	feed additives, plastics	5,561E	44.2E	2,990E
9	**Petróleos de Venezuela SA**	Venezuela	Citgo Petroleum	50	refining, marketing	4,103	43.6	1,209
			Champlin Refining (Texas)	50	refining	1,200	NA	500
						5,303		
10	**Régie Nationale des Usines Renault**	France	American Motors*	43	automotive	3,463	–91.0	2,225
			Mack Trucks*	42	automotive	1,712	–31.0	1,014
						5,175		
11	**Philips NV***	Netherlands	North American Philips*	58	electronics	4,532	68.5	2,886
			Signetics	100	semiconductors	500E	NA	NA
						5,032E		
12	**Hoechst AG***	Germany	Celanese	100	chemicals	2,891	213.0	2,361
			American Hoechst	100	chemicals	1,711	38.0	1,308
						4,602		
13	**Campeau**	Canada	Allied Stores	100	retailing	4,257	–54.0	5,125
14	**Bayer AG***	Germany	Bayer USA	100	chemicals	3,410	93.8	2,433
			Agfa-Gevaert	100	photography	765	13.1	511
			Compugraphic*	82	computer typesetting			
						4,175		

*Publicly traded in the U.S. in shares or ADRs. E: Estimate. NA: Not available.
Note: Some foreign investors on the list own U.S. companies indirectly through companies in italics.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)	Assets (millions)
15	**Volkswagenwerk AG***	Germany	Volkswagen of America	100%	automotive	$4,037	NA	NA
16	**Group Bruxelles Lambert**	Belgium	Drexel Burnham Lambert	26	finance	4,000	NA	$38,583
17	**Hanson Trust Plc***	UK	Hanson USA	100	multicompany	3,769	$103.0	3,228
18	**BASF Group***	Germany	BASF	100	chemicals	3,645	104.5	2,239
19	**Anglo Amer of S Africa***	South Africa	Engelhard*	30	metals	2,290	53.3	1,043
	Minerals & Resources*	Bermuda	Inspiration Resources (US)*	57	agricultural, mining	1,099	37.8	780
	Charter Consol*	UK	National Mine Service*	51	mining equipment	62	–18.4	65
						3,451		
20	**Bell Canada Enterprises***	Canada						
	Northern Telecom Ltd*	Canada	Northern Telecom	100	telecommunications	2,858	NA	1,750
	Trans Canada Pipeline*	Canada	Great Lakes Transmission	50	gas transmission	282	30.3	364
			Northern Border Pipeline	30	gas transmission	248	127.1	1,140
						3,388		
21	**Grand Metropolitan Ltd***	UK	GrandMet USA	100	multicompany	1,865	NA	NA
			Heublein	100	alcoholic beverages	1,400	NA	NA
						3,265		
22	**Brascan Ltd***	Canada						
	Noranda Mines Ltd*	Canada	Noranda US	100	minerals, forest prods	1,197	NA	1,352
	MacMillan Bloedel*	Canada	MacMillan Bloedel	100	forest products	986	NA	493
	John Labatt Ltd	Canada	Johanna Farms	100	dairy, juice products	990E	19.9E	766E
			Other companies	100	package foods, brewing			
						3,173E		
23	**CS Holding**	Switzerland						
	Financière CSFB	Switzerland	First Boston*	40	investment banking	3,151	180.6	48,618
24	**Générale Occidentale SA**	France	Grand Union	100	supermarkets	2,746	34.1	600E
	General Oriental	Br W Indies	Cavenham Forest Inds	97	timber, containers	250E	NA	NA
						2,996E		
25	**Franz Haniel & Cie**	Germany	Scrivner	100	food distribution	2,750	14.5	450
			Quinn Wholesale	100	food distribution	245	NA	NA
						2,995		
26	**Vendex International**	Netherlands	Dillard Dept Stores*	41	retailing	1,851	74.5	1,213
			B Dalton Bookseller	100	retailing	700E	NA	NA
			Barnes & Noble	30	retailing	225E	NA	NA
						2,776E		
27	**Dalgety Plc**	UK	Martin-Brower	100	food distribution			
			Modern Maid Food	100	food products	2,751	NA	NA
			Pig Improvement	100	pig breeding			
28	**Imperial Chemical Industries Plc***	UK	ICI Americas	100	chemicals, drugs	2,100E	NA	2,700E
			Glidden	100	paint	650	NA	NA
						2,750E		
29	**Jefferson Smurfit Group Plc**	Ireland	Container Corp of Am	50	paper products	1,758	–9.0	1,614
			Jefferson Smurfit*	78	packaging	944	28.0	653
						2,702		
30	**Electrolux AB***	Sweden	White Consolidated	100	appliances	2,500	NA	NA
31	**George Weston Ltd***	Canada	Eastern Fine Paper	100	paper products			
			Interbake	100	bakery	499	NA	NA
			Stroehmann Bakeries	100	bakery			
	Loblaw Cos*	Canada	Peter J Schmitt	100	food wholesaling	1,973	NA	NA
			National Tea	100	supermarkets			
						2,472		
32	**CIBA-GEIGY Ltd**	Switzerland	CIBA-GEIGY	100	chemicals, drugs	2,468	NA	2,100
33	**Delhaize "Le Lion" SA**	Belgium	Food Lion*	44	supermarkets	2,407	61.8	605
34	**Royal Insurance Plc**	UK	Royal USA	100	insurance	2,246	295.4	3,935
35	**Hongkong & Shanghai Banking Corp***	Hong Kong	Marine Midland Banks*	52	banking	2,244	145.0	24,790

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Note: Some foreign investors on the list own U.S. companies indirectly through companies in italics.

The 100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)	Assets (millions)
36	**Siemens AG***	Germany	Siemens Capital	100%	electronics	$2,243	NA	$2,719
37	**Nippon Kokan KK***	Japan	National Steel	50	steel	2,128	$-59.9	1,677
			Int'l Light Metals	40	aluminum, titanium	110	-5.0	174
						2,238		
38	**Canadian Pacific Ltd***	Canada	Canadian Pacific USA	54-100	transportation, steel	850E	NA	650E
			Soo Line*	56	railroad	632	-43.3	1,099
	AMCA Ltd	Canada	AMCA US	100	industrial machinery	704	NA	372
						2,186E		
39	**RTZ Plc***	UK	US Borax & Chemical	100	mining, borax			
			US Silica	100	sand, clays	1,470	NA	898
			Commonwealth Aluminum	33	aluminum			
			Rio Algom	61	metals	235	NA	NA
	RTZ Pillar Ltd	UK	Indal US	61	building products	426	NA	234
						2,131		
40	**Fujitsu Ltd***	Japan	Amdahl*	47	electronics	966	41.8	1,054
			Fujitsu America	100	electronics	822E	NA	NA
			Fujitsu Microelectronics	100	electronics	280E	NA	NA
						2,068E		
41	**Petrofina SA**	Belgium	American Petrofina*	83	energy	2,021	-24.6	1,777
42	**Alcan Aluminium Ltd***	Canada	Alcan Aluminum	100	aluminum	1,998	61.0	1,115
43	**Crownx**	Canada	Crown Life Insurance	94	insurance	1,599	NA	3,584
			Extendicare Group	100	health care	268	NA	276
			Crowntek Group	100	information technology	36	NA	83
						1,903		
44	**Compagnies des Machines Bull***	France	Honeywell Bull	43	information systems	1,900	NA	NA
45	**Henkel KGaA**	Germany	Clorox*	25	household products	1,089	NA	849
			Loctite Corp	25	chemicals	267	NA	NA
			Henkel of America	100	chemicals	252	NA	NA
			Other companies	100	chemicals	250	NA	NA
						1,858		
46	**Elf Aquitaine Group**	France	Elf Aquitaine	100	multicompany	1,724	NA	3,399
47	**Barclays Plc***	UK	BarclaysAmericanCorp	100	financial services	555	23.0	4,148
			Barclays Bank NY	100	banking	1,137	23.9	13,498
			Barclays Bank Calif	100	banking			
						1,692		
48	**Ahold NV***	Netherlands	BI-LO	100	supermarkets	1,127	NA	NA
			Giant Food Stores	100	supermarkets	529	NA	NA
						1,656		
49	**Honda Motor Co Ltd***	Japan	Honda of America Mfg	100	automotive	1,630E	NA	NA
50	**Saban SA**	Switzerland	Republic NY*	32	banking	1,407	135.6	17,465
			Williamsburgh Savings Bk	100	banking	217	26.1	2,267
						1,624		
51	**Manufacturers Life Insurance**	Canada	Manufacturers Life Ins	100	insurance	1,600E	NA	NA
52	**BTR Plc***	UK	BTR	100	energy, industrial equip	1,590E	NA	NA
53	**Total CFP**	France						
	*Total Petrol NA Ltd**	Canada	Total Petroleum	100	energy	1,565	41.0	790
54	**Thyssen Group**	Germany	Budd	100	auto parts	1,383	NA	NA
			Transit America	100	railroad cars	150	NA	NA
						1,533		
55	**Power Corp of Canada**	Canada	Great-West Life Assurance	97	insurance	1,518	9.7	5,700
56	**Daimler-Benz Group***	Germany	Freightliner	100	automotive	1,276	NA	NA
	*AEG AG**	Germany	AEG	100	elec equip, electronics	212	NA	NA
			Other companies	100	elec equip, computers			
						1,488		

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Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)	Assets (millions)
57	**TBG Holding NV**	Netherlands	Ball-InCon Glass	50%	containers, packaging	$550	NA	NA
			Peerless Pump	100	pumps	909	NA	NA
			Info Technology Group	100	electronic information	1,459		
58	**Volvo AB***	Sweden	Volvo White Truck	100	automotive	774	$6.0	$864
			Clark Michigan	25	automotive	409	-18.0	282
			Hamilton Oil*	50	energy	274	11.0	864
						1,457		
59	**Bertelsmann AG**	Germany	Bantam	100	publishing			
			Bertelsmann Music Group	100	music publishing			
			Dell	100	publishing	1,450E	NA	NA
			Doubleday	100	publishing			
			Other companies	51–100	printing			
60	**AEGON NV***	Netherlands	Life Investors*	91	insurance	1,023	35.0	2,841
			National Old Line	100	insurance	101	16.0	425
			Monumental	100	insurance	269	NA	1,090
			Aegon Reinsurance	100	insurance	50	8.5	105
						1,443		
61	**Dixons Group Plc**	UK	Cyclops*	89	steel	1,441	21.3	579
62	**Kuwait Petroleum**	Kuwait	Santa Fe Intl (KPC)	100	energy	1,400E	NA	NA
62	**Nissan Motor Co Ltd***	Japan	Nissan Motor Mfg USA	100	automotive	1,400E	NA	NA
64	**Nationale-Nederlanden**	Netherlands	Nationale-Nederlanden US	100	insurance	1,375	61.7	3,470
65	**Moore Corp Ltd***	Canada	Moore Business Forms	100	business forms	1,371	NA	818
66	**General Accident Fire & Life Plc**	UK	Gen Accident Ins America	100	insurance			
			Camden Fire Insurance	100	insurance			
			Penn General Insurance	100	insurance	1,326	136.6	3,479
			Potomac Ins of Illinois	100	insurance			
			North Pacific Insurance	100	insurance			
67	**SNECMA**	France	CFM International	50	aviation	1,325	2.5	582
68	**Montedison Group**	Italy	Himont*	50	chemicals	981	97.3	910
	Ausimont NV	Netherlands	Erbamont*	85	pharmaceuticals	182	16.9	183
			Ausimont Industries	100	chemicals	113	NA	NA
			Consery	100	agroindustry	46	-2.9	41
						1,322		
69	**News Corporation Ltd***	Australia	News America	100	media	1,311	NA	4,094
70	**BOC Group Plc***	UK	BOC Group	100	gases, health care	1,294	NA	NA
71	**Sanyo Electric Co Ltd***	Japan	Fisher	100	audio equipment	840E	NA	NA
			Sanyo Manufacturing	74	electronics, appliances	379	-16.2	152
			Other companies	100	electronics, appliances	67	NA	84
						1,286E		
72	**Beecham Group Plc***	UK	Beecham	100	drugs, consumer prods			
			Beecham Cosmetics	100	cosmetics, fragrances	1,250	NA	1,100
			Beecham Home Improv Prod	100	home improvement			
			Norcliff Thayer	100	drugs			
73	**Commercial Union Assurance Plc**	UK	Commercial Union Ins	100	insurance	1,236	-32.0	2,691
74	**Sandoz Ltd**	Switzerland	Sandoz United States	100	multicompany	1,230	NA	NA
75	**Zurich Insurance Group**	Switzerland	Zurich-American Ins	100	insurance	749	34.1	1,462
			Universal Underwriters	100	insurance	398	58.4	540
			Other companies	100	insurance	72	9.0	148
						1,219		
76	**L'Air Liquide***	France	Liquid Air*	87	industrial gases	576	34.7	718
			Big Three Industries	100	industrial gases	539	-4.5	855
			AL Compressed Gases	100	welding equipment	50	NA	NA
						1,165		
77	**Sun Life Assurance Co of Canada**	Canada	Sun Life (US)	100	insurance	1,045	-1.0	3,026
			Other companies	100	financial services	114	8.0	386
						1,159		

*Publicly traded in the U.S. in shares or ADRs. E: Estimate. NA: Not available.
Note: Some foreign investors on the list own U.S. companies indirectly through companies in italics.

The 100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)	Assets (millions)
78	**Saint-Gobain***	France	CertainTeed*	57%	building supplies	$1,114	$57.3	$813
79	**United Biscuits (Holdings) Plc**	UK	Keebler	100	bakery	953	NA	NA
			Specialty Brands	100	food products	150	NA	NA
						1,103		
80	**Schlumberger NV***	Neth Antilles	Schlumberger Technology	100	oilfield svs, electronics	1,101	–261.0	1,057
81	**J Sainsbury Plc***	UK	Shaw's Supermarkets*	29	supermarkets	1,093	16.2	210
82	**Roche/Sapac**	Switzerland	Hoffmann-La Roche	100	drugs, chemicals	1,082	NA	NA
83	**Peoples Jewellers Ltd**	Canada	Zale	100	jewelry	1,051	NA	NA
	Swarovski Intl Holding AG	Switzerland						
84	**General Electric Plc***	UK	Picker International	100	medical equipment	650	NA	NA
			AB Dick	100	office equipment	400E	NA	NA
						1,050E		
85	**Swiss Reinsurance**	Switzerland	SwissRe Insurance	100	insurance	428	65.5	1,027
			North Am Reinsurance	100	insurance	344	70.9	893
			North Am Reassurance	100	insurance	129	14.9	537
			Other companies	100	insurance	141	9.8	257
						1,042		
86	**Olympia & York Developments Ltd**	Canada	Landmark Land*	25	multicompany	238	22.0	2,152
	Gulf Canada	Canada	Abitibi-Price	90	forest products	439	NA	217
	Trizec	Canada	Rouse*	23	property dev, banking	340	18.6	1,420
						1,017		
87	**Otto Versand**	Germany	Spiegel	100	catalog retailing	1,002	36.2	759
88	**First City Financial**	Canada	HH Robertson*	25	construction	554	–41.8	344
			Scovill	100	manufacturing	433	4.5	619
						987		
89	**Bank of Montreal**	Canada	Harris Bankcorp	100	banking	982	68.0	9,892
90	**Standard Chartered Bank Group**	UK	Union Bank	100	banking	782	56.5	9,519
			United Bank of Arizona	100	banking	198	16.3	2,697
						980		
91	**National Westminster Bank Plc***	UK	National Westminster Bank US	100	banking	976	67.6	11,080
92	**NV AMEV**	Netherlands	AMEV Holdings	100	insurance	972	66.7	2,104
93	**Bank of Tokyo Ltd***	Japan	California First Bank	77	banking	561	30.7	5,995
			Bank of Tokyo Trust	100	banking	405	30.4	5,874
						966		
94	**Consolidated Gold Fields Plc***	UK	Newmont Mining*	26	mining	381	74.2	1,982
			Gold Fields American	100	natural resources	306	–52.2	748
			ARC America	100	construction materials	277	NA	NA
						964		
95	**IFI International SA**	Luxembourg	Moog Automotive	100	auto parts			
			CR Industries	100	auto parts	790E	NA	NA
			Incom International	100	industrial components			
			RC Cement	20	cement	160E	NA	NA
						950E		
95	**Siebe Plc**	UK	Robertshaw Controls	100	auto controls			
			Ranco	100	electrical equipment	950	NA	NA
			Siebe North	100	safety equipment			
97	**Pechiney**	France	Howmet Turbine	100	gas turbines			
			Pechiney-Cebal	100	packaging	945	NA	1,376
			Technical Components	100	packaging			
98	**Sobey Parties**	Canada	Hannaford Brothers*	26	food distribution	899	18.8	254
99	**Bosch, Robert GmbH**	Germany	Robert Bosch	100	auto parts, machinery	894	32.8	877
100	**Akzo NV***	Netherlands	Akzo America	100	multicompany	868	34.4	NA
100	**Northern Foods Plc**	UK	Prestige Foods	100	meat products	868	NA	235
			Keystone Foods	80	meat, poultry			

*Publicly traded in the U.S. in shares or ADRs. E: Estimate. NA: Not available.
Note: Some foreign investors on the list own U.S. companies indirectly through companies in italics.

THE 100 LARGEST U.S. MULTINATIONALS

In last year's global business survey, we reported that the foreign revenues of the 100 largest U.S. multinational corporations fell by $16.2 billion, to $409 billion. No surprise there, given the strength of the dollar. Wait until the dollar weakened. Then the multinationals' results would perk up.

Well, the dollar weakened all through last year against the major currencies. And so did the multinational group's overall sales. They fell from $409 billion to $383 billion.

The explanation? Oil. The big oil companies have long been among the country's weightiest multinationals. Including Du Pont, which owns Conoco, five of the ten largest multinationals are oil companies. The dollar fell last year, and oil, priced around the world in dollars, remained weak. A double whammy. As a result, the combined foreign revenues of Exxon, Mobil, Texaco, Chevron, Amoco and Occidental fell by over $30 billion.

The U.S.' nonoil multinationals, by contrast, did very nicely last year as the dollar sank. General Motors offset some of its domestic sales sluggishness by increasing its foreign sales nearly $4 billion, to $19.8 billion. Note, in the tables below, that the ratio of GM's foreign-to-overall revenues increased to 19.3% in 1986, from 16.8% the year before. Ford Motor Co. continued last year to derive relatively more of its income abroad than General Motors: Its foreign revenues increased to $19.9 billion, 31.8% of its total sales.

The dollar's fall was especially helpful to the export-oriented U.S. multinationals. Take Xerox. Less than 25% of its assets are overseas. But last year it received over 30% of its sales from abroad. Adding some $750 million in foreign sales to its books enabled Xerox to jump up a few notches, from 22nd to 19th on this year's list.

Beaten into competitive shape when the dollar was strong, the companies below should continue to do well in the months ahead even if the dollar rises modestly. But two dark clouds overhang that forecast. First, unless nations better coordinate their economic policies, the OECD economists expect the industrialized world's economies to grow by just 2.25% next year, down from 2.5% last year and 3% in 1985. The second cloud is Congress' ugly protectionist mood. If the lawmakers are not restrained by the Administration from shooting the economy—ours and the world's—in the foot with trade legislation, there is no telling how much damage will be done to America's multinationals in the years ahead.

1986 rank	Company	Foreign revenue (millions)	Total revenue (millions)	Foreign revenue as % of total	Foreign operating profit (millions)	Total operating profit (millions)	Foreign operating profit as % of total	Foreign assets (millions)	Total assets (millions)	Foreign assets as % of total
1	Exxon	$50,337	$69,888	72.0%	$3,910[1]	$5,219[1]	74.9%	$30,740	$69,484	44.2%
2	Mobil	27,388[2]	46,025[2]	59.5	1,858[1]	1,407[1]	132.1	17,581	37,233	47.2
3	IBM	25,888	51,250	50.5	3,184[1]	4,789[1]	66.5	27,604	57,814	47.7
4	Ford Motor	19,926	62,716	31.8	825[1]	3,285[1]	25.1	18,842	37,933	49.7
5	General Motors	19,837	102,814	19.3	-186[1]	2,945[1]	D-P	16,120	72,403	22.3
6	Texaco	15,494	31,613	49.0	1,170	1,187	98.6	10,279	34,940	29.4
7	Citicorp	10,940	23,496	46.6	522[1]	1,058[1]	49.3	86,117[3]	184,013[3]	46.8
8	El du Pont de Nemours	9,955[4]	26,907	37.0	644[5]	1,791[5]	36.0	8,035	26,733	30.1
9	Dow Chemical	5,948	11,113	53.5	684	1,285	53.2	6,049	12,242	49.4
10	Chevron	5,605	24,352	23.0	808[6]	1,055[6]	76.6	7,662	34,583	22.7
11	BankAmerica	4,659	12,483	37.3	439[1]	-518[1]	P-D	37,263	104,189	35.8
12	Philip Morris	4,573	20,681	22.1	346	3,624	9.5	3,209	17,642	18.2
13	Procter & Gamble	4,490	15,439	29.1	143[1]	709[1]	20.2	3,461	13,055	26.5
14	RJR Nabisco	4,488	15,978	28.1	491	2,617	18.8	3,856	17,019	22.7
15	Chase Manhattan	4,356	9,460	46.0	119[1]	585[1]	20.3	40,940	94,770	43.2
16	ITT[7]	4,180	17,437	24.0	484	1,128	42.9	4,677	35,805	13.1
17	Eastman Kodak	4,152	11,550	35.9	389	724	53.7	4,016	12,902	31.1
18	Coca-Cola	4,019	8,669	46.4	858	1,372	62.5	2,065	8,373	24.7
19	Xerox[7]	3,996[2]	13,046[2]	30.6	158	473	33.4	4,758	19,299	24.7
20	Amoco	3,931[2]	18,478[2]	21.3	263[1]	747[1]	35.2	6,070	23,706	25.6

[1]Net income. [2]Includes other income. [3]Average assets. [4]Includes excise taxes. [5]Operating income after taxes. [6]Net income before corporate expenses. [7]Includes proportionate interest in unconsolidated subsidiaries and affiliates. [8]Pretax income. [9]Includes export sales. [10]Profit before interest and after taxes. [11]Excludes unconsolidated subsidiaries. D-P: Deficit over profit. P-D: Profit over deficit. NA: Not available.

The 100 largest U.S. multinationals

1986 rank	Company	Foreign revenue (millions)	Total revenue (millions)	Foreign revenue as % of total	Foreign operating profit (millions)	Total operating profit (millions)	Foreign operating profit as % of total	Foreign assets (millions)	Total assets (millions)	Foreign assets as % of total
21	General Electric	$3,821[2]	$36,725[2]	10.4%	$740	$4,303	17.2%	$4,090	$34,591	11.8%
22	United Technologies	3,810	15,669	24.3	70[1]	73[1]	95.9	3,266	11,092	29.4
23	JP Morgan	3,654	6,672	54.8	425[1]	873[1]	48.7	36,437	76,039	47.9
24	Goodyear	3,450	9,103	37.9	128	128	100.0	2,658	8,610	30.9
25	Hewlett-Packard	3,290	7,102	46.3	461	998	46.2	2,046	6,287	32.5
26	American Express	3,234	14,652	22.1	248[8]	1,613[8]	15.4	23,121	99,476	23.2
27	Minn Mining & Mfg	3,219[9]	8,602	37.4	513	1,410	36.4	2,098	7,348	28.6
28	Unisys	3,188	7,432	42.9	301	384	78.4	2,725	9,409	29.0
29	Tenneco	3,128	14,529	21.5	190	1,203	15.8	3,454	18,021	19.2
30	Digital Equipment	3,118	7,590	41.1	613	955	64.2	2,633	7,173	36.7
31	Johnson & Johnson	3,031	7,003	43.3	297[1]	330[1]	90.0	2,526	5,877	43.0
32	American Intl Group	2,998	8,876	33.8	460	749	61.4	7,599	21,023	36.1
33	Sears, Roebuck	2,914	44,281	6.6	25[1]	1,351[1]	1.9	2,068	65,995	3.1
34	CPC International	2,869	4,549	63.1	265	445	59.6	2,115	3,651	57.9
35	Colgate-Palmolive	2,699	4,985	54.1	173	362	47.8	1,148	2,846	40.3
36	FW Woolworth	2,696	6,501	41.5	157	456	34.4	1,236	2,850	43.4
37	Manufacturers Hanover	2,610	7,794	33.5	125[1]	411[1]	30.4	24,903	74,397	33.5
38	NCR	2,486	4,882	50.9	256	588	43.5	1,483	4,015	36.9
39	Allied-Signal	2,470	11,794	20.9	157	605	26.0	2,099	11,268	18.6
40	Kraft	2,464	8,742	28.2	189	834	22.7	1,212	4,749	25.5
41	Bankers Trust New York	2,447	4,923	49.7	96[1]	428[1]	22.4	32,028	56,420	56.8
42	American Brands[7]	2,384	6,221	38.3	201	847	23.7	2,000	9,056	22.1
43	K mart[7]	2,365	25,350	9.3	NA	1,028[8]	NA	841	10,822	7.8
44	Motorola	2,250	7,508	30.0	164	463	35.4	1,278	4,682	27.3
45	Monsanto	2,241	6,879	32.6	165	671	24.6	1,757	8,269	21.2
46	Atlantic Richfield	2,226	14,487	15.4	146[1]	615[1]	23.7	2,157	21,604	10.0
47	GTE	2,135	15,112	14.1	101[1]	1,184[1]	8.5	3,214	27,402	11.7
48	Chrysler	2,097	22,586	9.3	379[8]	2,325[8]	16.3	2,471	14,463	17.1
49	Pan Am Corp	2,050	3,039	67.5	–64	–324	19.8	NA	2,108	NA
50	Merck	2,024	4,129	49.0	383[8]	1,039[8]	36.9	1,858	5,105	36.4
51	Pfizer	1,993	4,476	44.5	341	1,025	33.3	1,919	5,164	37.1
52	Sara Lee	1,913	7,938	24.1	138	514	26.8	1,417	3,503	40.5
53	Caterpillar	1,866	7,321	25.5	–43	378	D-P	1,374	6,288	21.9
54	Cigna	1,859	17,064	10.9	33	701	4.7	5,743	50,016	11.5
55	Phillips Petroleum	1,833	9,786	18.7	471	987	47.7	2,123	12,399	17.1
56	Union Carbide	1,788	6,343	28.2	63[1]	699[1]	9.0	2,516	7,571	33.2
57	Gillette	1,717	2,818	60.9	258	411	62.8	1,501	2,540	59.1
58	Chemical New York	1,611	5,488	29.4	105[1]	402[1]	26.1	17,695	60,564	29.2
59	HJ Heinz	1,601	4,366	36.7	180	551	32.7	1,113	2,837	39.2
60	Sun Co	1,588	9,376	16.9	30[10]	408[10]	7.4	2,724	11,684	23.3

[1]Net income. [2]Includes other income. [3]Average assets. [4]Includes excise taxes. [5]Operating income after taxes. [6]Net income before corporate expenses. [7]Includes proportionate interest in unconsolidated subsidiaries and affiliates. [8]Pretax income. [9]Includes export sales. [10]Profit before interest and after taxes. [11]Excludes unconsolidated subsidiaries. D-P: Deficit over profit. P-D: Profit over deficit. NA: Not available.

The 100 largest U.S. multinationals

1986 rank	Company	Foreign revenue (millions)	Total revenue (millions)	Foreign revenue as % of total	Foreign operating profit (millions)	Total operating profit (millions)	Foreign operating profit as % of total	Foreign assets (millions)	Total assets (millions)	Foreign assets as % of total
61	TRW	$1,529	$6,036	25.3%	$162	$514	31.5%	$1,203	$3,909	30.8%
62	Occidental Petroleum	1,516[2]	16,029[2]	9.5	196[1]	172[1]	114.0	2,046	17,467	11.7
63	Unocal	1,506[2]	7,744[2]	19.4	99[1]	176[1]	56.3	1,545	10,133	15.2
64	Texas Instruments	1,486	4,974	29.9	39	173	22.5	1,077	3,337	32.3
65	WR Grace	1,472	3,726	39.5	189	24	787.5	978	4,097	23.9
66	Allegis	1,410	9,196	15.3	66	407	16.2	592	8,717	6.8
67	Warner-Lambert	1,356	3,103	43.7	319	789	40.4	1,133	-2,516	45.0
68	Bristol-Myers	1,337	4,836	27.6	223	1,001	22.3	1,099	4,183	26.3
69	SmithKline Beckman	1,306	3,745	34.9	224	756	29.6	1,245	4,222	29.5
70	Eli Lilly	1,292	3,720	34.7	243[8]	881[8]	27.6	1,286	4,596	28.0
71	Dresser Industries	1,287	3,661	35.2	116	26	446.2	906	3,110	29.1
72	American Cyanamid	1,280	3,816	33.5	111[1]	203[1]	54.7	889	3,667	24.2
73	Deere	1,247	3,516	35.5	4	-416	P-D	922	4,974	18.5
74	American Home Products	1,245	4,927	25.3	241	1,250	19.3	815	4,175	19.5
75	Security Pacific	1,237	5,977	20.7	76[1]	386[1]	19.7	13,419	62,606	21.4
76	PepsiCo	1,226	9,291	13.2	65	902	7.2	2,275	8,029	28.3
77	Kimberly-Clark	1,209	4,303	28.1	93[1]	269[1]	34.6	1,109	3,676	30.2
78	PPG Industries	1,195	4,687	25.5	147	696	21.1	1,270	4,641	27.4
79	Hercules[7]	1,182	3,245	36.4	263	369	71.3	1,046	3,326	31.4
80	Rockwell International	1,181	12,296	9.6	170	1,213	14.0	1,066	7,703	13.8
81	Abbott Laboratories	1,175	3,808	30.9	201	910	22.1	826	3,866	21.4
82	American Standard	1,173	3,075	38.1	139	248	56.0	773	2,208	35.0
83	Honeywell	1,165	5,378	21.7	30	257	11.7	1,130	5,141	22.0
84	McDonald's	1,164[2]	4,240[2]	27.5	107[1]	480[1]	22.3	1,750	5,969	29.3
85	Aluminum Co of America[7]	1,146	5,315	21.6	3[11]	219[11]	1.4	2,292	7,726	29.7
86	First Chicago	1,131	4,001	28.3	-53[1]	276[1]	D-P	11,090	39,148	28.3
87	Scott Paper[7]	1,107	3,890	28.5	140[8]	484[8]	28.9	963	4,125	23.3
88	Baxter Travenol	1,091	5,543	19.7	186	626	29.7	826	7,068	11.7
89	Trans World Airlines	1,082	3,145	34.4	-25[8]	-106[8]	23.6	979	3,370	29.1
90	Continental Corp	1,078	6,002	18.0	22	282	0.1	2,906	13,623	21.3
91	Quaker Oats	1,075	3,671	29.3	97	393	24.7	524	2,034	25.8
92	Kellogg	1,072	3,341	32.1	71[1]	319[1]	22.3	897	2,084	43.0
93	Bank of Boston	1,065	3,540	30.1	23[1]	233[1]	9.9	6,877[3]	29,709[3]	23.1
94	Firestone	1,048	3,501	29.9	75	192	39.1	909	2,593	35.1
95	Halliburton	1,045	3,527	29.6	-119	-595	20.0	837	3,328	25.2
96	Avon Products	1,028	2,883	35.7	152	358	42.5	597	2,296	26.0
97	Merrill Lynch	1,017	9,475	10.7	-27[8]	773[8]	D-P	6,112	53,013	11.5
98	Control Data	1,013	3,347	30.3	48	-281	P-D	654	2,595	25.2
99	Henley Group	988	3,172	31.1	70[1]	-426[1]	P-D	457	4,698	9.7
100	Schering-Plough	983	2,399	41.0	140	453	30.9	889	3,001	29.6

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100 U.S.-TRADED FOREIGN STOCKS

Maurits Edersheim, Drexel Burnham's deputy chairman and head of the firm's three overseas stock funds (assets, $300 million), reminds us that foreign investing is not for everyone. "If you have less than $100,000 in equities and think you'll need the money any time in the next few years," says Edersheim, "you probably shouldn't invest overseas." And most who do invest abroad are well advised to stick to well-managed foreign mutual funds (see the Forbes Annual Mutual Funds Survey, every September).

But for investors who like to pick their own stocks and want to diversify abroad without the attendant risks and expenses of buying foreign stocks directly, the 100 companies listed below present a sensible compromise. These are 100 large foreign stocks that are listed on U.S. exchanges or trade o-t-c. Generally, foreign stocks with U.S. listings must conform to the same SEC regulations as U.S. companies. That means better disclosure and less room for manipulation. These stocks also often enjoy support from institutional investors. That means more liquidity.

Of these 100 foreign companies, the shares of 36 are identical to the stock that is traded back home. The other 64 trade in the form of American Depositary Receipts. ADRs are not actual stock certificates, but rather claims of ownership issued by banks, which guarantee that the corresponding share certificates are held in vaults overseas *(see "The ABCs of ADRs," FORBES, June 15)*. Remember that ADRs often represent a bundle of foreign shares. A single Japanese share of Hitachi, for example, trades in Tokyo for around $8.20, too low to attract much U.S. institutional interest. Each of Hitachi's ADRs, however, represents ten Japanese shares and so trades for around $82.

Last year was another excellent year for many of the stocks on our list. Mighty Royal Dutch Petroleum added 62% to its market value; Unilever NV rose 72%; Japan's Kubota doubled in value; and steelmaker Tubos de Acero de Mexico trebled.

To look at stock markets in retrospect is, of course, to die of remorse. But Larry Martin, head of the international portfolio department at Boston's State Street Bank & Trust Co., believes many overseas opportunities still exist. "West Germany, Hong Kong and Switzerland have had a rough time lately and are undervalued, while the United Kingdom, France and Italy are overvalued," says Martin. Drexel's Edersheim thinks there is plenty of action left in Royal Dutch Petroleum, Unilever NV, British Petroleum and Imperial Chemical Industries.

Exch	Company/business	Corporate headquarters	Price recent	Price 52-week high–low	Latest 12-mos EPS	P/E	Dividend	Yield
o	**Advanced Semi Mtls Intl NV**/eq to mfr semicon	Netherlands	9	10 – 2¼	$–4.30	NM	0.00	—
a	**Alliance Tire & Rubber**/tire & rubber	Israel	1¾	3 – 1⅜	–0.51	NM	0.00	—
a	**Amer Israeli Paper Mills**/paper products	Israel	22⅞	32 –11⅜	2.82	8.1	$0.31	1.4%
o	**Aneco Reinsurance**/insurance	Bermuda	2¾	4⅜ – 1¾	0.25	11.0	0.00	—
o	•**Anglo Amer Corp S Afr**/gold, diamonds	South Africa	24¼	26⅛ – 9¼	2.48	9.8	0.65	2.7
o	•**Anglo Amer Gold Inv**/invest precious mtls	South Africa	10½	12⅜ – 4½	0.77	13.6	0.60	5.7
n	**ASA Limited**/closed-end invest co	South Africa	55⅞	73½ –28¾	3.31	16.9	3.00	5.4
o	•**ASEA AB**/electrical equipment	Sweden	55⅞	54⅞ –44½	5.45	10.3	0.00	—
a	**Atlas Cons Min & Devel**/copper & gold	Philippines	1¼	1⅝ – ⅜	–0.53	NM	0.00	—
n	•**Banco Central SA**/bank	Spain	20⅝	20¾ –19	1.12	18.4	0.46	2.2
n	•**Barclays**/bank	UK	38⅛	39¾ –26½	5.27	7.2	1.51	4.0
a	•**B.A.T Industries**/tobacco, paper prods	UK	15½	10 – 5½	0.79	11.9	0.24	2.5
o	•**Beecham Group**/drugs, food process	UK	9⅛	9½ – 5⅛	0.36	25.2	0.20	2.2
n	**Benguet**/gold & copper, machinery	Philippines	7½	9⅞ – 3¼	0.23	32.6	0.00	—
o	•**Blyvooruitzicht Gold Min**/gold, uranium	South Africa	7⅜	8⅞ – 3½	1.11	6.6	0.77	10.4
o	•**Bowater Industries**/paper products	UK	8½	9 – 4¼	0.41	20.6	0.18	2.1
o	**Brilund**/oil, gas exploration	Australia	1¾	3¼ – 1	–0.08[1]	NM	0.00	—
n	•**British Airways**/airline	UK	24½	29½ –16⅛	0.31	NM	0.00	—
n	•**British Gas**/natural gas	UK	28⅝	32 –23⅛	3.98	7.2	0.00	—
n	•**British Petroleum**/integrated oil	UK	72	73 –33½	2.62	27.5	2.64	3.7

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. •American Depositary Receipts. NM: Not meaningful. [1]1985 EPS.

100 U.S.-traded foreign stocks

Exch	Company/business	Corporate headquarters	Price recent	Price 52-week high–low	Latest 12-mos EPS	P/E	Dividend	Yield
n	•**British Telecom**/telecomm	UK	48⅝	55⅝ –26	$2.60	18.7	$1.39	2.9%
n	•**Broken Hill Prop**/steel, oil & gas prod	Australia	28⅛	28⅞ –26¼	0.35	NM	0.36	1.3
o	•**Buffelsfontein Gold Mining**/gold, uranium	South Africa	20	27⅝ –14⅝	11.49	1.7	3.32	16.6
o	•**Burmah Oil**/oil	UK	9½	9½ – 4⅞	0.51[1]	18.5	0.36	3.8
o	•**Cadbury Schweppes**/food processing	UK	43¾	45⅜ –18⅝	2.12	20.6	1.23	2.8
o	•**Canon**/precision instruments	Japan	34¼	37⅜ –23⅛	1.82	18.8	0.35	1.0
o	**Challenger Intl**/oil	Bermuda	4¼	8 – 3¼	–0.37	NM	0.00	—
n	**Club Med**/resorts	BWI	25¾	31 –21¼	1.30	19.8	0.20	0.8
n	**Commodore Intl**/computer equip	Bahamas	9¼	15 – 5	0.69	14.1	0.00	—
a	•**Courtaulds**/textiles	UK	7⅝	7⅞ – 3⅜	0.44[1]	17.3	0.11	1.4
o	•**De Beers Cons Mines**/diamonds	South Africa	11½	14 – 5⅞	1.12[1]	10.3	0.33	2.9
o	•**Driefontein Consolidated**/gold mining	South Africa	23⅛	27½ –10⅜	1.83	12.6	1.17	5.1
o	•**Elan**/biotechnology	Ireland	19⅜	20⅛ – 5	0.31	62.5	0.00	—
o	**Elbit Computers**/computer equipment	Israel	9¼	11⅜ – 6¼	1.09	8.9	0.75	7.7
o	**Elron Electronic Inds**/computer & med eq	Israel	8⅛	9½ – 4⅝	–1.34	NM	0.00	—
n	**Elscint**/precision instruments	Israel	2¼	3 – 1⅜	–2.59	NM	0.00	—
n	**Erbamont NV**/drugs	Neth Antilles	30½	35 –19	1.61	18.9	0.52	1.7
a	**Etz Lavud**/wood & plastic products	Israel	11	13⅞ – 8⅛	0.04	NM	0.00	—
o	•**Fisons**/drugs	UK	25¼	25⅝ –14¼	0.79	32.0	0.22	0.9
o	•**Fuji Photo Film**/photo products	Japan	50⅛	50½ –32	1.66	30.3	0.13	0.3
o	•**Gambro AB**/health care equipment	Sweden	19¼	20⅝ –12	0.84	23.5	0.10	0.5
n	•**Glaxo Holdings**/drugs, food, med equip	UK	26¼	26¼ –12⅝	0.99	27.0	0.25	0.9
o	**Gotaas Larsen Shipping**/maritime	Bermuda	30¼	32¼ –23⅜	2.33	13.0	0.24	0.8
n	•**Hanson Trust**/tobacco, food, retail	UK	14½	14⅜ –10	0.85	17.1	0.19	1.3
n	•**Hitachi**/electrical equipment	Japan	85½	85½ –48½	2.18	39.2	0.48	0.6
n	•**Honda Motor**/autos, motorcycles	Japan	121½	122½ –62⅞	4.69	25.9	0.66	0.5
o	•**Huntington Intl Holdings**/lab services	UK	24¼	25¼ – 4¼	1.09	22.2	0.00	—
o	**ISS Intelligent Info Sys**/computer equipment	Israel	5½	5⅝ – 2⅞	0.57	9.6	0.12	2.2
n	•**Imperial Chemical Inds**/chemicals	UK	97⅛	98¼ –57⅛	6.05	16.1	3.11	3.2
o	•**Instrumentarium**/health care equip	Finland	17¼	17¾ –11⅜	0.95	18.2	0.19	1.1
o	**InterPharm Labs**/biotechnology	Israel	3½	5⅜ – 3½	0.09	38.9	0.00	—
o	**Intl Capital Equipment**/financial services	Bermuda	2	6⅛ – 1⅞	–0.23	NM	0.00	—
o	•**Ito-Yokado**/retail	Japan	114¼	117½ –87½	2.00	57.1	0.44	0.4
o	•**Jaguar**/automobiles	UK	8¾	9⅞ – 6⅞	0.68	12.9	0.18	2.1
n	**KLM Royal Dutch Airlines**/airline	Netherlands	25⅜	26⅜ –17	1.74	14.6	0.69	2.7
o	•**Kloof Gold Mining**/gold mining	South Africa	12⅛	15½ – 4½	0.94	12.9	0.45	3.7
n	•**Kubota**/agricultural equip, pipe	Japan	83¼	95 –42	0.63	NM	0.55	0.7
n	•**Kyocera**/ceramics, electronics, optics	Japan	84	84¼ –42½	1.36	61.8	0.47	0.6
a	**Laser Industries**/health care equipment	Israel	15¼	17½ – 9¼	0.83	18.4	0.00	—
o	•**LM Ericsson Tel**/telecomm	Sweden	39⅝	47½ –28½	2.19	18.1	1.20	3.0

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. •American Depositary Receipts. NM: Not meaningful. [1]1985 EPS.

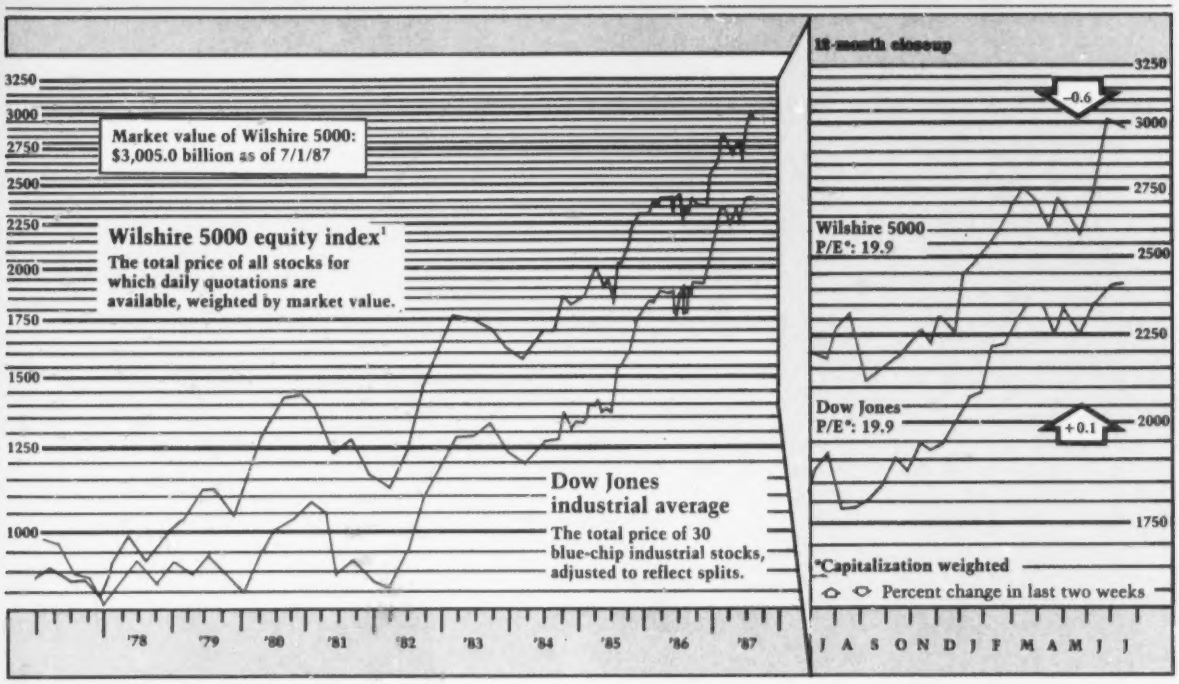
100 U.S.-traded foreign stocks

Exch	Company/business	Corporate headquarters	Price recent	Price 52-week high–low	Latest 12-mos EPS	P/E	Dividend	Yield
o	•**Louis Vuitton SA**/luggage, leather prods	France	42⅞	50⅛ – 35⅝	$1.52	28.2	$0.51	1.2%
n	•**Matsushita Electric Indl**/appliances	Japan	156¼	156¼ – 76¾	5.51	28.4	0.50	0.3
o	•**Minerals & Resources**/invsts in trgn mines	Bermuda	12⅛	13⅞ – 6⅞	0.32	37.9	0.22	1.8
o	•**Mitsui & Co**/trading company	Japan	106	130¼ – 64	1.13[1]	NM	0.52	0.5
n	•**Natl Westminster**/bank	UK	35⅜	37 – 20⅞	4.52	7.8	1.24	3.5
o	•**NEC Corp**/telecomm equipment	Japan	76¼	79 – 45	0.54	NM	0.25	0.3
n	•**News Corp**/newspapers, tv	Australia	26¼	35¾ – 11⅜	1.58	16.6	0.06	0.2
o	•**Norsk Data**/computer	Norway	32¼	38¼ – 25⅛	1.26	26.0	0.33	1.0
n	•**Norsk Hydro AS**/energy, chem prods	Norway	29¼	31⅞ – 16⅞	–0.60	NM	0.00	—
n	•**Novo Industri AS**/drugs	Denmark	40⅞	42½ – 28½	2.81	14.5	0.41	1.0
o	**Optrotech**/electro-optical systems	Israel	8½	9¼ – 2⅝	0.21	40.5	0.00	—
a	**O'Okiep Copper**/copper	South Africa	11⅜	14 – 3	0.76	15.0	0.00	—
o	•**Pharmacia AB**/health care equip	Sweden	23¾	28⅜ – 19⅜	–0.02	NM	0.15	0.6
a	**Philippine Long Dis Tel**/telecomm	Philippines	27⅝	30½ – 5⅛	4.63	6.0	0.23	0.8
n	**Philips NV**/elec equip, electronics	Netherlands	25⅜	25⅞ – 18⅜	2.14	11.9	0.80	3.2
n	•**Pioneer Electronics**/electronics	Japan	42½	42½ – 21⅞	0.41	NM	0.13	0.3
o	•**Rank Organisation**/leisure services	UK	12⅞	13¼ – 6¾	0.65	19.8	0.31	2.4
o	•**Rodime**/computer equipment	UK	9⅜	10⅜ – 4¾	–0.56	NM	0.00	—
n	**Royal Dutch Petroleum**/integrated oil	Netherlands	128⅛	134¼ – 76¾	9.86	13.0	6.04	4.7
o	•**Saatchi & Saatchi**/advertising	UK	32¼	40½ – 15⅜	1.85	17.4	0.87	2.7
a	**San Carlos Milling**/sugar	Philippines	2½	6⅛ – 1¾	–0.14[1]	NM	0.00	—
n	**Schlumberger**/oilfield svcs, electronics	Neth Antilles	44¼	46½ – 27¼	–1.46	NM	1.20	2.7
n	**Sea Containers**/maritime	Bermuda	22¼	25¾ – 12¾	–5.58	NM	0.00	—
n	**Service Resources**/financial printing	Panama	14⅜	20⅜ – 9⅜	–1.22	NM	0.00	—
n	**Shell Trans & Trading**/integrated oil	UK	88½	91¼ – 46¼	4.91	18.0	3.67	4.1
n	•**Sony**/electronics	Japan	29⅝	29⅝ – 18⅛	0.61	48.6	0.22	0.7
o	•**St Helena Gold Mines**/gold mining	South Africa	15	22 – 8½	3.46[1]	4.3	1.55	10.3
n	**Syntex**/drugs	Panama	43¾	43¾ – 25⅞	1.82	24.0	1.00	2.3
n	•**TDK**/audio and videotape	Japan	57¾	57¾ – 37¼	1.58	36.6	0.58	1.0
o	•**Teva Pharmaceutical**/drugs	Israel	9⅝	12 – 3¼	0.52	18.5	0.10	1.0
o	•**Tokio Marine & Fire Ins**/insurance	Japan	78⅞	103⅜ – 58	0.89	NM	0.17	0.2
a	•**Tubos de Acero de Mexico**/steel	Mexico	4⅛	5¼ – 1¼	0.76[1]	5.4	0.00	—
n	**Unilever NV**/multicompany	Neth Antilles	334	338¼–191	19.55	17.1	7.17	2.1
n	•**Unilever**/multicompany	UK	218¼	219½ – 99	11.70	18.7	3.70	1.7
o	**Universal Furniture**/furniture	Hong Kong	17¾	20⅝ – 7⅛	1.05	16.9	0.00	—
o	•**Vaal Reefs Expl & Mining**/gold mining	South Africa	11¾	15¼ – 4	1.08[1]	10.9	0.77	6.6
o	**Velcro Inds NV**/fastening tapes	Netherlands	24	30½ – 20¾	1.63	14.7	0.92	3.8
o	•**Volvo AB**/auto & truck mfr	Sweden	49¼	59⅞ – 23½	5.65	8.7	1.23	2.5
o	•**Welkom Gold Holdings**/gold mining	South Africa	10⅛	12⅞ – 4⅛	0.91[1]	11.1	0.83	8.2
o	•**Western Deep Levels**/gold mining	South Africa	57¼	75⅞ – 22⅜	6.10[1]	9.4	2.31	4.0

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. •American Depositary Receipts. NM: Not meaningful. [1]1985 EPS.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Blue chip stocks held their ground through the last ten trading days. The Dow remained virtually unchanged. The NYSE, Amex and over-the-counter issues lost less than 1%. The overall market, as measured by the Wilshire index, fell 0.9%. This continues to be a good market for big stocks. Over the last 52 weeks the 30 Dow industrials gained 26.2%. At the other extreme are Nasdaq issues, with only a 3.7% increase. The Wilshire index falls in the middle with a 15.4% gain.

A year ago, when the Wilshire index sold for 19 times trailing 12-month earnings, the 30 large companies that make up the Dow showed an average P/E of 14. No great surprise there. The very bigness of the Dow stocks limits their growth opportunities. But right now both the Wilshire and the Dow have P/Es around 20. Something's got to give. To restore the usual parity, Wall Street will either bid up secondary stocks or have second thoughts, dark ones, about the Dow stocks.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	3.1	3.4	3.8	3.2	3.2	2.1
in last 52 weeks	15.4	16.5	26.2	17.5	18.7	3.7

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	3.8	4.1	2.4	1.9	1.6	2.0	2.1	3.5	1.2	2.9	3.5	3.1
in last 52 weeks	17.5	35.6	54.6	18.6	13.4	7.9	6.3	41.6	48.6	13.3	13.3	26.9

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

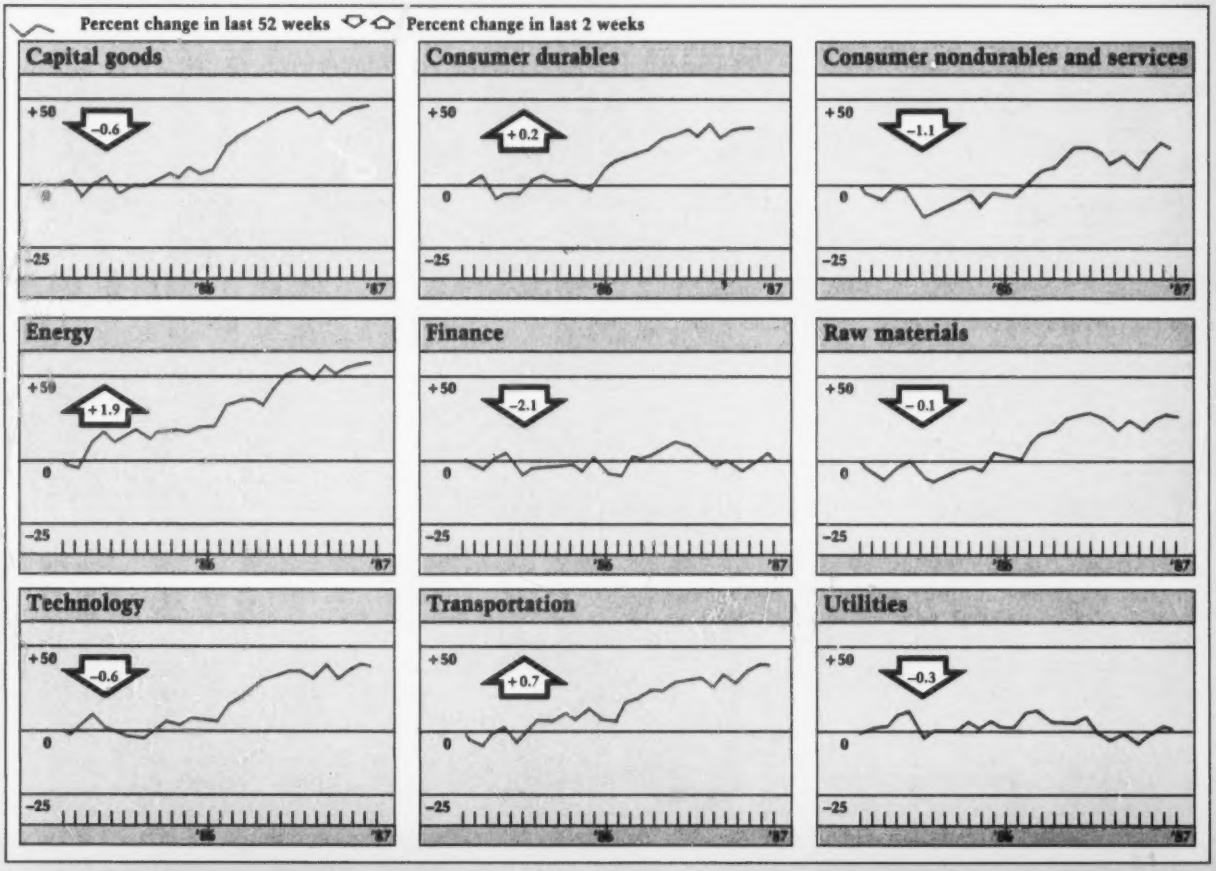
Note: All data for periods ending 7/1/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Guy French

Where the Action Is

Crude action. During the last two weeks energy was the top-performing Wilshire sector, rising 1.9%. The interest in oil stocks may be more of a response to tensions in the Persian Gulf than concern that OPEC will stick to its output quotas. The market's reaction was to bid up the price of stocks that could benefit from increased U.S. production. Ocean Drilling & Exploration, Bow Valley Industries and Baker Hughes all gained more than 10%.

The continued strength of the energy sector leaves this group with a 50.2% gain over the last 52 weeks. That's better than the overall market by more than a 3-to-1 margin. A year ago oil stocks were in Wall Street's doghouse, selling for only 13 times 1986 estimated earnings. Score one more for contrarians.



What the Analysts Think

Optimistic earnings forecasts are helping to push up stock prices. During the last two weeks analysts raised their estimates for consumer durables, energy, consumer nondurables and raw materials. Unlike recent years, the Institutional Brokers Estimate System (IBES) reports estimate increases are outnumbering cuts by a significant margin.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.52	18.5
1987 estimates	3.16	14.8
1988 estimates	3.84	12.2

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Consumer durables	$3.79	13.8	0.65%	2.04%
2	Energy	2.60	18.4	0.46	0.89
3	Consumer nondurables	2.37	17.7	0.33	0.20
4	Raw materials	2.25	16.5	0.19	0.30
5	Utilities	2.63	10.5	-0.06	-0.55
6	Capital goods	2.15	19.7	-0.08	-0.54
7	Technology	2.51	17.6	-0.43	-0.57
8	Finance	3.31	10.0	-0.48	-4.73
9	Transportation	2.33	15.7	-1.12	-2.59

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 7/1/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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AUGUST 10, 1987

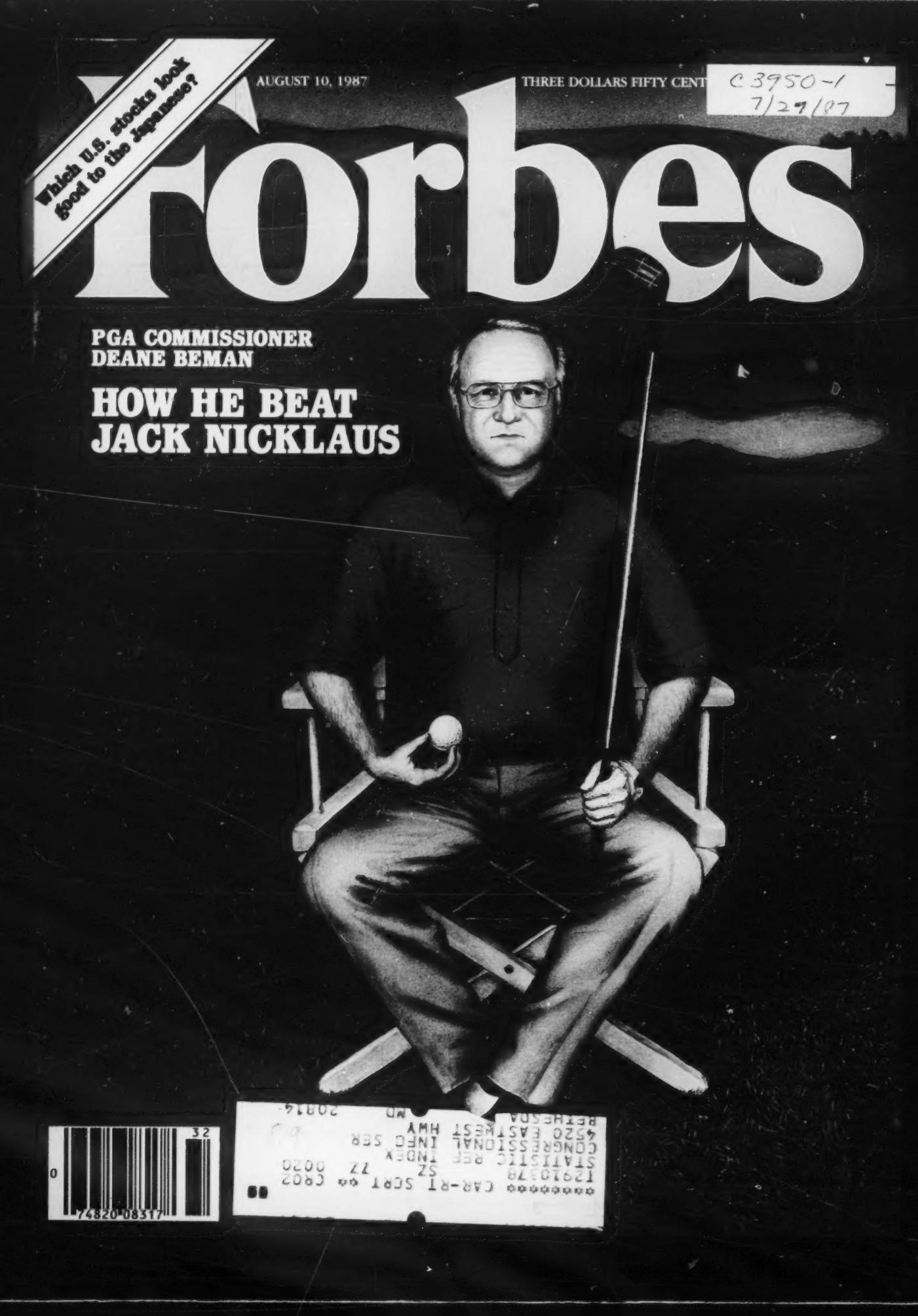
THREE DOLLARS FIFTY CENT

Which U.S. stocks look good to the Japanese?

Forbes

PGA COMMISSIONER DEANE BEMAN

HOW HE BEAT JACK NICKLAUS



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August 10, 1987 Volume 140 Number 3 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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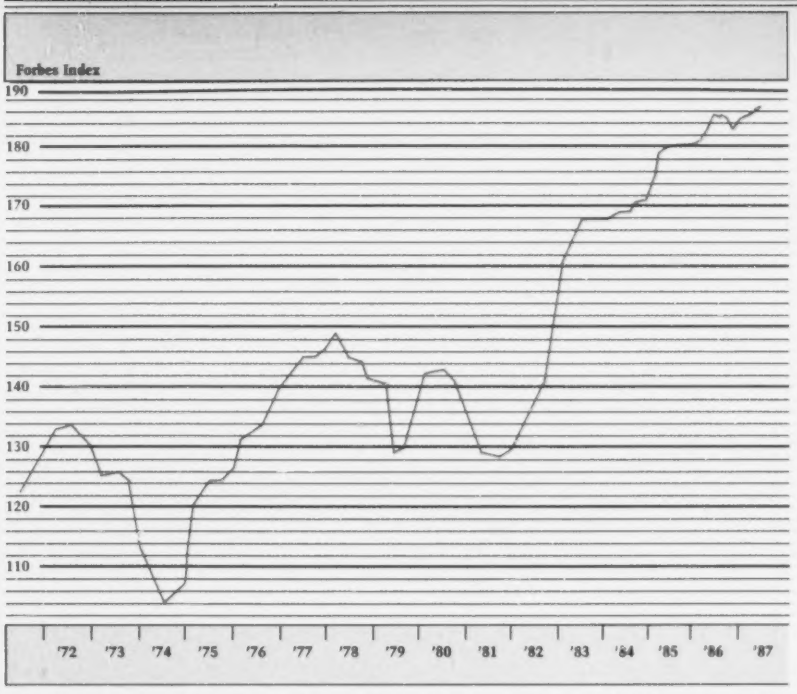
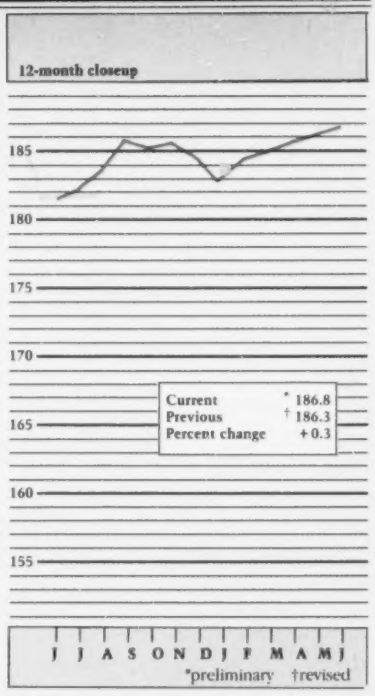
The Forbes Index





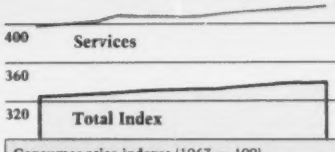
Slow but steady. The Forbes Index went up 0.3% in June—the fifth consecutive monthly increase—with several Index components chipping in. Retail sales showed the sharpest gain, increasing 0.4% from May to June. Also boosting the Index was industrial production, which inched up 0.2%, while the three-month total of consumer installment credit rose 0.2%. There was good news on the jobs front as well. The six-month total of initial unemployment claims dropped 1.4% in June.

Through the first six months of 1987, the Forbes Index grew at an annual rate of only 2.4%, vs. 3.6% through June of 1986. The economy may be slowing down, but it is not stopping. With such moderately paced growth, the U.S. has avoided a recession for the past five years.

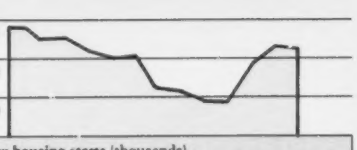
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

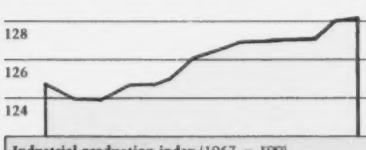
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



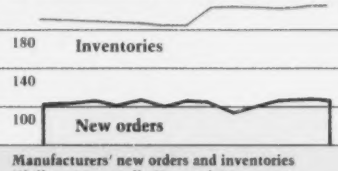
Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)



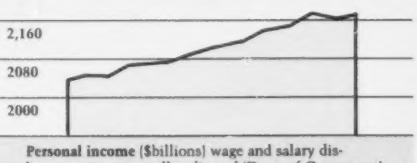
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



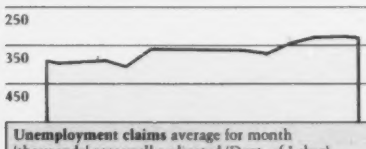
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



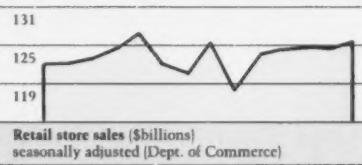
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



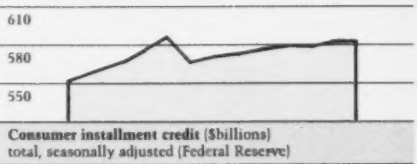
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



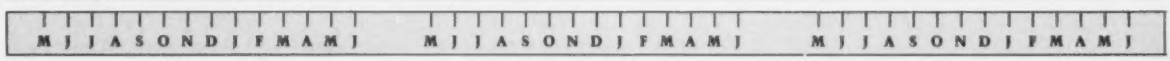
Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)



For two years the natural gas pipelines have been fighting with federal regulators over how to pass on the ruinous costs of their old, overpriced contracts.

How to make everyone unhappy

By Lisa M. Keefe

A NASTY TWO-YEAR-OLD battle between federal regulators and the natural gas pipeline industry seems to be ending. The solution may swallow a big chunk of pipeline and gas utility earnings, but at least it ends uncertainty for the battered industry.

There are now two ways a pipeline transports gas around this country. The first is the old way. A pipeline buys the gas from a producer, the guy who owns the well, then resells it to a user—usually a local gas utility or a high-volume business client—and makes money on the spread. That has been the prevailing system for decades.

The second is the new way, created two years ago by the Federal Energy Regulatory Commission, which regulates the industry. In its Order 436, the federal agency allows a pipeline to become much like any other common carrier, such as a railroad or a truck line; it ships the gas for whoever will pay the cost of transportation. It simply charges a fixed fee to the utility or business that has itself bought the gas from a producer.

The feds figured Order 436 would make the pipelines more competitive, and bring down the price of natural gas, by reducing the use of traditionally more expensive long-term supply contracts. Instead of signing long-term contracts, gas utilities would buy from the spot market, where prices have usually been cheaper.

But like most government efforts to regulate business, this overlooked some very basic facts. The pipelines had signed long-term contracts to buy gas from the wells and had their utility customers on long-term contracts to take the stuff at the other end of the pipelines.

Order 436 made the pipelines furious because it allowed their customers, the utilities, to walk away from old contracts with the pipelines. At the same time, it did not free the pipelines from their old contracts to buy gas from the producers.

Worse, the old agreements were mainly "take-or-pay" contracts, signed when prices were far higher than they are today. Those contracts obligated the pipelines to buy the gas from producers, even when the old price made the gas too expensive to be sold.

In 1985 and 1986 alone, pipelines spent $1.6 billion buying their way out of these take-or-pay arrangements, but at the beginning of this year there was at least $6.8 billion worth of liability yet to be settled. These are the costs that must either be swallowed by the pipelines or passed on to someone.

It's as if gas stations had to buy gasoline from the oil companies at 1981's high prices and sell them to the consumer at today's much lower prices. They would all go broke, of course.

By last June only one major pipeline company, Columbia Gas System, had agreed to comply with Order 436 as

Take-or-pay takes its toll

No one is certain how take-or-pay costs will finally be divided. But to get some idea of the pretax effect on earnings and earnings per share, we assumed the hit would be split, 50-50, between pipelines and utilities. Remember, too, that these writeoffs would almost certainly be spread over more than one year.

Company	Possible writeoff ($mil)	Already written off	Remainder ($mil)	Remainder per share	Earnings per share*
Coastal	$300	$0	$300	$6.48	$3.01
Enron	103	0	103	2.34	3.34def
Panhandle Eastern	218	0	218	4.12	2.18
Sonat	350	281	69	1.70	7.93def
Tenneco	188	0	188	1.28	0.33
Transco	450	225	225	8.09	NA

*Trailing 12 months on continuing operations (as of 3/31/87). def: deficit. NA: not available.

Source: company, analyst estimates.

written. Most of the others had agreed to ship gas under other agreements while they waited for a District of Columbia Circuit Court of Appeals ruling on a case filed in 1985 that challenged the commission's refusal to deal with the take-or-pay issue.

But the wait has poured buckets of grief on the pipelines. At best, the market-sensitive, fixed-fee system allows the pipelines to recover hardly more than a fraction of their old take-or-pay costs. In the worst cases, take-or-pay costs for some companies have grown.

Transco Energy Co., for instance, now estimates that its take-or-pay settlement costs could total a staggering $900 million, double its calculation of a year ago (FORBES, *Aug. 11, 1986*). Transco lost $69.5 million in the first quarter of this year, after $141.8 million of those costs were written off, vs. a $20.3 million profit the year earlier.

With no relief from the commission, as long as Transco continued to transport gas, take-or-pay threatened to go even higher. In June Transco just walked away from the fixed-fee game. It went back to the old but higher-priced game, buying gas from producers, reselling to the customers on its pipeline and making money on the spread.

The federals did not like that at all. So the commission gave one of Transco's major competitors, Tenneco, permission to carry as much cheap spot market gas as it could handle. Customers flocked to Tenneco—the volume of gas in its pipeline has increased 18%—and deserted Transco, which lost 29% of the volume it had been carrying.

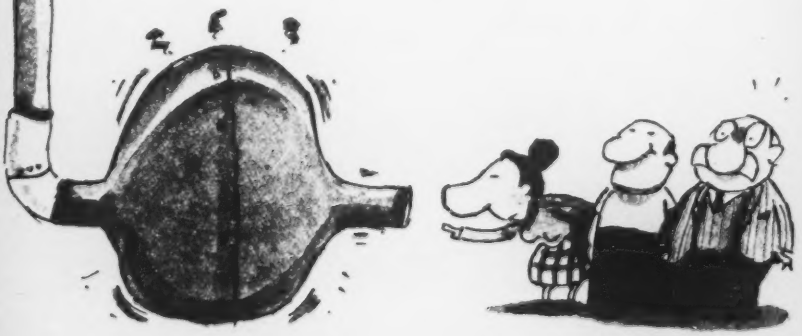
Result: Analysts expect the pipeline division to post an operating loss for the second quarter, vs. a $20.9 million operating profit in the first. In July the company cut its much-prized dividend by half, to $1.36.

But Transco may have been saved by the bell. A week after it abandoned fixed fees in June, the federal appeals court told the regulatory commission that if it didn't immediately address the take-or-pay question, the Order 436 would be invalidated before summer's end. The commission has now promised a resolution.

The early money is on two proposals: Either the utilities—and their customers—pay all take-or-pay costs or they pay half of them, with the pipelines swallowing the other half. Even if all the costs are passed on, pipelines could not, in practice, charge more than the market will bear. And recouping the total could take years.

Either way, prices will go up significantly for the utilities, but just how much more can they charge consumers? Most big industrial users can switch to other fuels if gas gets too expensive, and utilities can't afford to lose that business. Consumer groups almost certainly will scream, too. So nobody is going to be happy. ■

Patrick McDonnell



If this bottle
looks familiar
at this distance,
we congratulate you
on your taste
and perception.

Tanqueray Gin. A singular experience.

Deane Beman is the John L. Lewis of professional golf. He's created a powerful trade union for the players. Good for the rank and file, no doubt, but what about the sport?

Spreading the wealth

By Richard Behar

It is early on a May Thursday in Dublin, Ohio (pop. 9,500), and already seven police agencies are directing traffic by land and air. Want a room at the local Stouffer or anywhere else nearby? Forget it. With more than 50,000 spectators beginning to descend on the village, you'd be lucky to get a beer at the Bogey Inn. Meanwhile, over at the Muirfield Village Golf Club, some 2,500 volunteers are working the crowds on behalf of local charities and for money for Muirfield to spruce up its nearly perfect golf course.

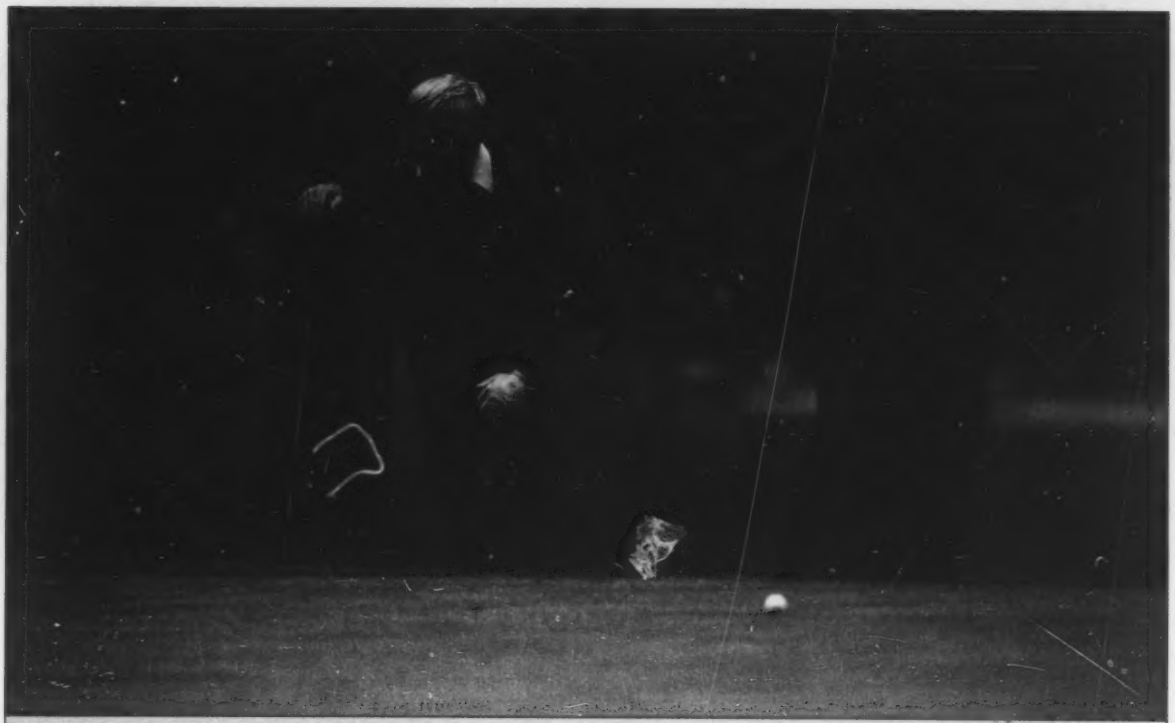
What happened in Dublin in May happens in 70 other small towns and cities all year long, in what has clearly become the biggest traveling road show in America: the PGA Tour, Inc. Wherever it goes, the Tour takes with it crowds of TV personalities and golfing groupies, young and old.

This year the Tour pros will compete before throngs totaling more than 7 million spectators at the courses. Television will open up the spectacle to an average of 11 million more viewers each week at home. At stake is not just enormous prestige but some $48 million in prize money to be divided among the competitors, with another $19 million in revenues being passed along to various local charities.

The man in charge of all this is Deane Randolph Beman, 49, a short, stubborn visionary who has served as commissioner of the PGA Tour for the past 13 years. A former touring golf pro, Beman shows no signs of winding down his 70-hour workweeks. He has turned a struggling-for-profit organization into a vastly profitable tax-

José Fernández/Woodfin Camp

PGA Tour Commissioner Deane Beman
"The biggest problem the Tour faces is to keep the players enthusiastic."



Jack Nicklaus, perhaps the greatest golfer who ever lived
"We got defeated and I've kept my mouth shut ever since."

exempt association with several for-profit subsidiaries.

Imagine major league baseball owned and operated not by the club owners but by the players, and you have some idea of the unusual union of the 250 nearly independent contractors who constitute the PGA Tour.

To the public, this spells golf and glamour. To Beman and the players he represents, it stands for money. Visitors to PGA Tour headquarters outside Jacksonville, Fla. confront a lobby filled with photos of the Tour's top star for each year since 1969. With each photo is a plaque proclaiming not each luminary's sporting triumphs—the birdies, eagles, tournament victories—but how much money the golfer won during the year.

Since Beman took charge in 1974, prize money has grown 500% and is divvied up, not just on the basis of scores or winning, but simply on completing the tournament. This helped Tony Sills, a modestly talented pro, earn $216,881 on the PGA Tour last year after finishing in 26 tournaments. Jack Nicklaus earned $226,014 in just 11 tournaments.

Alan Doren/JB Pictures

Manufacturers Hanover's John McGillicuddy
"Where are the players?"

Is everybody happy? Far from it. Golfing's biggest names think that the system gyps them. Arnold Palmer exploited? He thinks so. So do Jack Nicklaus, Tom Watson, Ray Floyd and many other golfers. Says Floyd, who at age 44 last year became the oldest man to win the U.S. Open, "You've essentially turned a capitalistic system into a socialistic one."

Hyperbole, of course, but Floyd is that angry. In fact, the PGA Tour traces back to leaner days, the 1920s, when a handful of country club pros such as Tommy Armour and Gene Sarazen would load up their cars in the autumn and roam throughout the winter from town to town in the Sunbelt, chasing $2,000 purses offered by resorts, hotels and chambers of commerce. Even as late as the early 1970s, the PGA Tour, under prior management, was a bare-bones outfit of 20 employees, with about $700,000 in assets and just $8 million in prize money for its golfers to duel for.

Today, thanks largely to Beman, the PGA Tour is one of the biggest organizations in all of sports, as well as one of the most profitable to the television networks—earning them upwards of $1 million per televised tournament.

Moreover, the Tour is hardly an association: It is a good-size business. Under Deane Beman's benevolent umbrella can be found 250 touring golfers, more than 800 employees (vs. 280 for the National Football League and related entities) and $52 million in assets that range from golf courses and housing developments to sportswear lines and even miniature-golf centers.

When Beman took charge as commissioner in 1974, the

Ray Floyd, at the U.S. Open in San Francisco, in June Paul Sutton/Duomo
"You've essentially turned a capitalistic system into a socialistic one."

Tour was almost entirely dependent on television for its $3 million in revenues. But although broadcast revenues have continued to rise since the early 1980s, the Tour this year will get 79% of its projected $103 million in gross revenues from nonbroadcast sources *(see chart, p. 80)*.

To reduce TV dependence even more, Beman is now negotiating with CBS, which televises most of the PGA's tournaments, to make the PGA Tour the first pro sport organization to produce its own telecasts on a regular weekly basis throughout the year. Without TV unions, Beman argues, the Tour can produce golf telecasts at less than half the typical network cost.

Such vertical integration has spread to real estate as well, which today supplies about a third of the PGA's revenues. The Tour now owns, operates or licenses 13 courses and clubs used once yearly for Tour events and available otherwise for dues-paying members (fees are up to $30,000 a year). Plans are ready for 10 more such courses in the next decade. The Tour also gets upwards of 20% of any future gain from residential development on certain properties abutting the courses. Then there's licensing: Beman has put the PGA logo on everything from cruise ships to car rental firms to entire countries (as "official golf destinations").

Though Beman was not the first to tie a corporation's name directly to a sporting event, he was years ahead of other sports in doing it so successfully on a grand scale. Today nearly 70% of the PGA's televised events have title sponsors (e.g., Doral Ryder Open, Honda Classic). In such events, the sponsoring corporation usually commits itself to providing part of the purse, and purchasing up to two-thirds of total network advertising time available during the telecast. In return, the company gets the prestige of sponsorship along with the promotional value of having its name seen by a television audience that can reach 15 million largely affluent viewers for the bigger events.

Beman has added further appeal to corporate sponsorships by vigorously promoting "Pro-Am" events that take place each Wednesday preceding any regular tournament. In the Pro-Ams, corporate executives or clients of sponsoring companies get to play 18 holes against the 45 top-rated golfers set to appear that weekend—a kind of sports-world version of a traveling escort service for executives.

That Beman has run the whole thing as a business, and a well-run business at that, is beyond anyone's questioning. But in the process he has alienated golf's best-known players and tended to reward mediocrity—the same fault that made trade unions harmful to industrial productivity even while protecting the privileges of the rank-and-file members. Ever hear of Chip Beck, Mike Donald, Buddy Gardner, Clarence Rose, Bobby Wadkins or Jodie Mudd? All have averaged more than $100,000 per year since 1983, yet none has won a single professional tournament in his life. Take Payne Stewart, 30, who last year earned over $500,000 but didn't win a tournament all year. Or Mike Reid, a ten-year veteran of the Tour who last year became the first player to top $1 million in career earnings without ever winning anything.

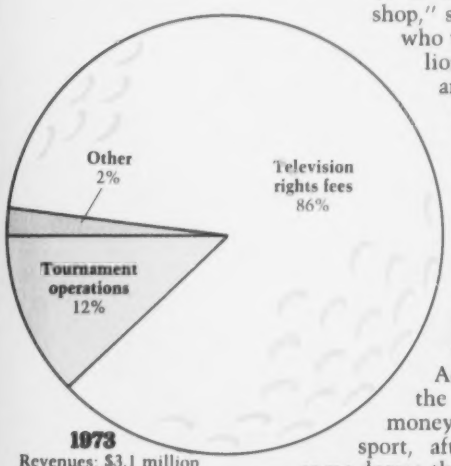
This astounds Arnold Palmer. "Hell, in the 1950s you almost had to win or have another job to make sure your family was going to eat," recalls Palmer, who, at 57, plays the newly formed Senior Tour. Is this just the gripe of a successful veteran who resents the younger generation for having an easier time than he did? Maybe, but Palmer does have a point: If it takes a merit system—rewards proportional to attainment—to bring out the best in players, is PGA egalitarianism the best way to breed highly motivated golfers?

In the 1950s, when purses were small, upwards of 90% of the prize money generally went to the top 20 finishers,

with the next 20 or so splitting the other 10%. Nobody else got a cent—a powerful incentive to win, or at least finish high up in the pack. Today, by contrast, the top 20 finishers receive only 78% of the pie, with everyone else who even finishes—sometimes as many as 70 players—getting the rest.

So, under Beman, the PGA has become a kind of trade union working for the benefit of the average member. Moreover, just as it's hard to fire people in unionized businesses, it's hard to dump the duffers from the PGA Tour. For that, the mediocre players can thank Gary McCord, a 14-year PGA veteran who never won a tournament. In 1983 McCord got himself elected to the PGA's ten-member board of directors as one of its few active players—after having successfully pressed for a change in the rules to make it easier for players like himself to stay on the Tour.

Prior to McCord's initiative, only the top 60 money winners on the previous year's Tour were automatically exempted from having to requalify on a weekly basis for the next year's tournaments. Thanks largely to McCord, nearly every touring pro has now been automatically exempted from having to qualify.



"It is becoming a closed shop," says Jack Nicklaus, who with nearly $5 million in career earnings and 71 tournament victories is considered by many sports experts to be the greatest golfer who ever lived. "It's more difficult to get onto the Tour, and yet you don't have to play very well to stay there." Adds Tom Watson, the second-largest money winner in the sport, after Nicklaus, "To some degree the Tour has become an equal opportunity employer."

As is the case in any such situation, economic egalitarianism encourages mediocrity. Says sports entrepreneur Mark McCormack, author of *What They Don't Teach You at Harvard Business School*, "Half of today's American pro golfers ought to go get a job somewhere else. As things now stand, they are preserving a system that gives them a way to avoid having to go to work."

Beman himself understands the dilemma. He says: "The biggest problem the Tour faces is to keep the players enthusiastic about what they are doing. Too many young players get successful starting out, and they don't completely develop their skill. It's my biggest concern, and I must say I think we've been a contributor to the problem."

As semi-independent contractors, PGA golfers are required to show up at only 15 of the Tour's 36 tournaments (excluding the Senior Tour) in order to retain their voting rights and eligibility for retirement money. This, however, has created problems for sponsors of events, who need to lure big-name players in order to attract crowds of paying spectators. To get the big names, sponsors in the last couple of years have responded by pushing tournament prize money higher and higher. In 1982 only 2 tournaments offered purses in excess of $500,000. This year there are 40.

Yet, by offering bigger and bigger purses, the sponsors are, in effect, giving more players the ability to show up at fewer events. Five years ago sponsors of autumn and winter tournaments routinely had trouble drawing big names. Nowadays, as the purses have increased, even summer tournaments are having trouble luring the golfers who draw the crowds.

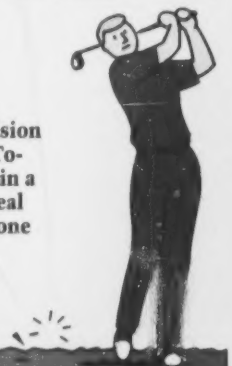
"We live at the mercy of who is going to show up," says John McGillicuddy, chairman of Manufacturers Hanover. For years his bank has been sponsoring the Westchester Classic each June in Harrison, N.Y. This year the event was strictly from boresville. "This is a major tournament in the media capital of the world," complains McGillicuddy. "Where are the players?" No mystery there. Most big-name PGA players decided to skip the Manny Hanny event and rest instead for the U.S. Open, set to begin a few days later in California. Among the no-shows: Tom Watson, Fuzzy Zoeller, Johnny Miller, Hale Irwin and Ben Crenshaw. A decade ago top players such as these routinely turned up at events that bordered the Open.

So why not simply pay "appearance fees" to attract the most desirable individuals? In a free market, that would obviously be the solution. But the PGA Tour is not a free market, and Beman doesn't want it to become one, either. Because PGA rules require that all players get treated equally by sponsors, the sponsors nowadays provide all with free cars, barbecue cookouts, day-care services for kids, shopping excursions for wives, baseball tickets for whole families. In short, freebies for all in the hopes of luring the few who really count.

Beman further irritates the big-name golfers by competing with them for endorsement money. Arnold Palmer is a spokesman for Hertz, but Beman has signed a deal making a Hertz rival, National Car Rental, the "official rental car" of the PGA Tour. "They are competing against their own people, and this will eventually hurt every golf professional," argues Palmer. Adds Ray Floyd, who endorses products ranging from sportswear to food products to the

A shifting slice

In 1973, a year before Deane Beman took over, the PGA counted on television rights fees for most of its revenues. Today vertical integration has resulted in a more independent enterprise, with real estate and tournament operations alone generating 70% of income.



Charts by Philip Scheuer

"They've taken the fear out of the game"

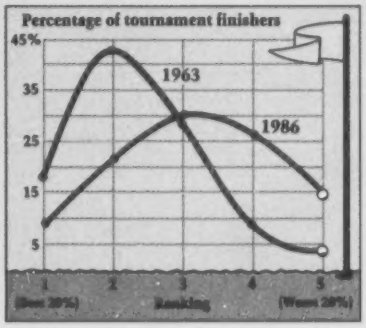
What would Charles Darwin say about the role of the monetary environment on *homo golfiens*? Many aficionados argue that by awarding prize money to the weakest in the pack *(see story)*, the PGA keeps the weaklings in the game while depriving the most gifted players of the incentive to excel: regression toward the mean—mediocrity, in short. "Overall, today's players are worse, and you can be assured there are no Ben Hogans out there," contends syndicated sports columnist Dan Jenkins, who began covering tournaments in the late 1940s, when Hogan was in his prime. "Today you can make a good living without winning. They've [the PGA] taken the fear out of the game."

Can Jenkins' opinion be tested? We have tried. FORBES statistician Steve Kichen examined six tournaments that were played on the same courses in 1963 and 1986, and looked at how players performed in relation to their peers. If Jenkins is right, today's golfers have less incentive to win, and therefore more players should finish in the back of the pack.

To put Jenkins' hypothesis another way: In 1963 the worst PGA tournament finishers received no money. Therefore players had a stronger incentive to win, and so you would expect more players to finish with better scores in 1963 than they had in 1986.

Our results, summarized in the chart below, are not conclusive, but they do seem to support Jenkins. The chart divides final tournament scores into quintiles. It shows that in 1963 12.3% of the players held the worst 40% of the scores. But in 1986 more than 40% of the finishers accounted for the bottom 40% of the scores. Conversely, a high 59.5% of the players held the top 40% of the scores in 1963, double the 1986 number.

Golf Darwinists like Jenkins also point out that only in America can golf's losers flourish. This would suggest that foreign players, who play on circuits with smaller purses, must struggle harder to make a living. Guess what. By general agreement, the top three golfers in the world today are Seve Ballesteros, a Spaniard; Bernhard Langer, a West German; and Greg Norman, an Australian. Interestingly, Langer and Norman have joined the PGA Tour, thereby raising the quality of PGA golf.



There are, of course, factors other than prize money at work. While courses are generally longer today, 7,000 yards vs. 6,500 in Hogan's time, technology has also advanced. Today's lightweight steel-shafted irons can propel an aerodynamically improved golf ball much farther and straighter. In fact, many traps on older courses are now obsolete, as top golfers routinely blow right over them. Fairways are softer, meaning less roll and more ball control, and the greens are shorter, smoother and faster, allowing for more consistent putting.

"The old-timers would look at these greens today and lick their chops," says *Golf Illustrated*'s Al Barkow, an expert on golf's early years: "They would kill everyone because they were great shotmakers who had to putt on really wretched greens. Nowadays, the ball usually sits up beautifully on nice, tight grass."

Has golf's easy-money environment reduced the level of skill in the game? We're not sure what Darwin would say, but he'd probably find the question an interesting one.—R.B.

Yellow Pages, "We are individuals who have earned the right to endorse products, so how can the PGA now turn around and market us collectively as a group?"

Beman brushes off such criticism as evidence of sheer greed. Says he: "We are doing something in the overall interests of golf. The top players usually have more deals than they can accept."

Beman is especially proud of the new "stadium" golf courses the PGA is building. Generally smaller than the traditional courses and with steeply terraced earthen seating, they are designed for less walking and easy viewing by tens of thousands of fans. But purists like Watson and Floyd complain that the new courses amount to contrived playing environments with too many hazards like ponds and sand traps and too many radically contoured fairways and greens that can send balls careening off into the rough unexpectedly. Moreover, they fear that these new "cookie-cutter courses" may someday replace many grand old Tour favorites like the Westchester Country Club or the Riviera Country Club outside Los Angeles.

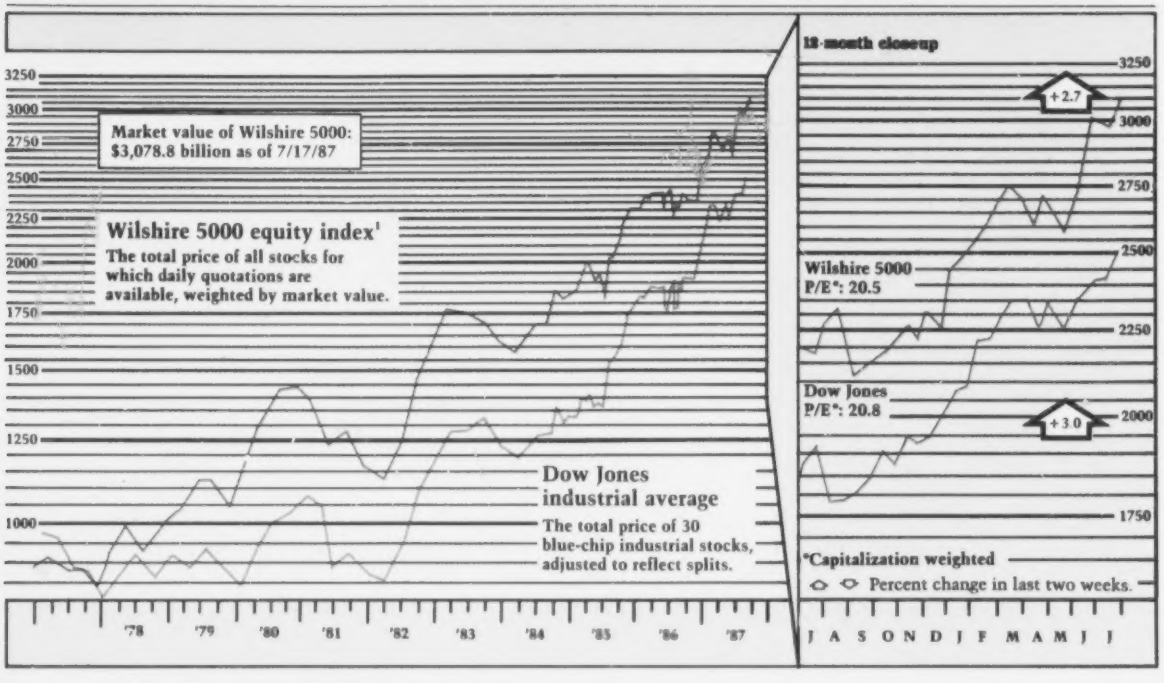
The people who run the PGA Tour shrug their shoulders. Says Roger Maltbie, a current player-director on the Tour, "Lots of guys don't care for the stadium courses, but let's face it, we play golf for money." Adds Beman: "The criticism that I'm going to replace the grand old courses is a bad rap. But many country clubs have traditionally gouged us by charging sponsors too much rent once a tournament gets established. In such cases, why should the Tour help pay for other people's clubs?"

No question: Deane Beman is making the PGA Tour into a golfing conglomerate. But will he so alienate the big names that are golf's biggest draws that he will defeat his own purpose in the process? So far Beman can point to the fact that while the top players have had several opportunities to do so over the last decade, no one has set up a rival tour. Yet. Several years ago top players met repeatedly with Beman and the PGA membership to argue about the direction the Tour was taking. Says Nicklaus, "We got defeated and I've kept my mouth shut ever since."

Maybe it's hard to work up much sympathy for people like Arnold Palmer and Jack Nicklaus, who clearly are rolling in money. But sympathy isn't the question. The real issue is: Should professional golf be organized like a trade union with egalitarian principles, or should it be a merit system, winner-take-most? It's a question golf lovers should think about. ■

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



How long can a bull market last? Quite a bit longer if it is anything like the major rallies of this century. The great crash of 1929 followed more than eight years of rising stock prices, during which the Dow gained over 400%. In the great postwar bull market, from June 1949 until February 1966, the Dow rose almost 500%. From 1966 to 1982—in an economy jolted by Watergate, wage and price controls, oil price shocks and high inflation—the market traded in a narrow band in which rallies were short-lived. The current surge began in August 1982 and is now approaching its fifth anniversary. To date the Dow has increased 223%. The historical comparison, of course, is no guarantee that this bull market will last another five years or double again. In the rally's favor are the seemingly long-lasting improvements in interest rates, commodity prices and corporate productivity. But earnings must continue to keep up with Wall Street's expectations in order for this market to be sustained.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	2.3	2.1	3.7	2.4	4.0	1.2
in last 52 weeks	27.3	28.2	41.2	29.6	32.0	13.9

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	1.8	5.0	3.0	1.9	1.8	1.4	1.6	5.7	3.1	2.4	2.1	5.1
in last 52 weeks	29.3	46.2	70.3	23.2	25.2	14.9	10.8	58.3	67.2	19.1	23.2	36.4

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

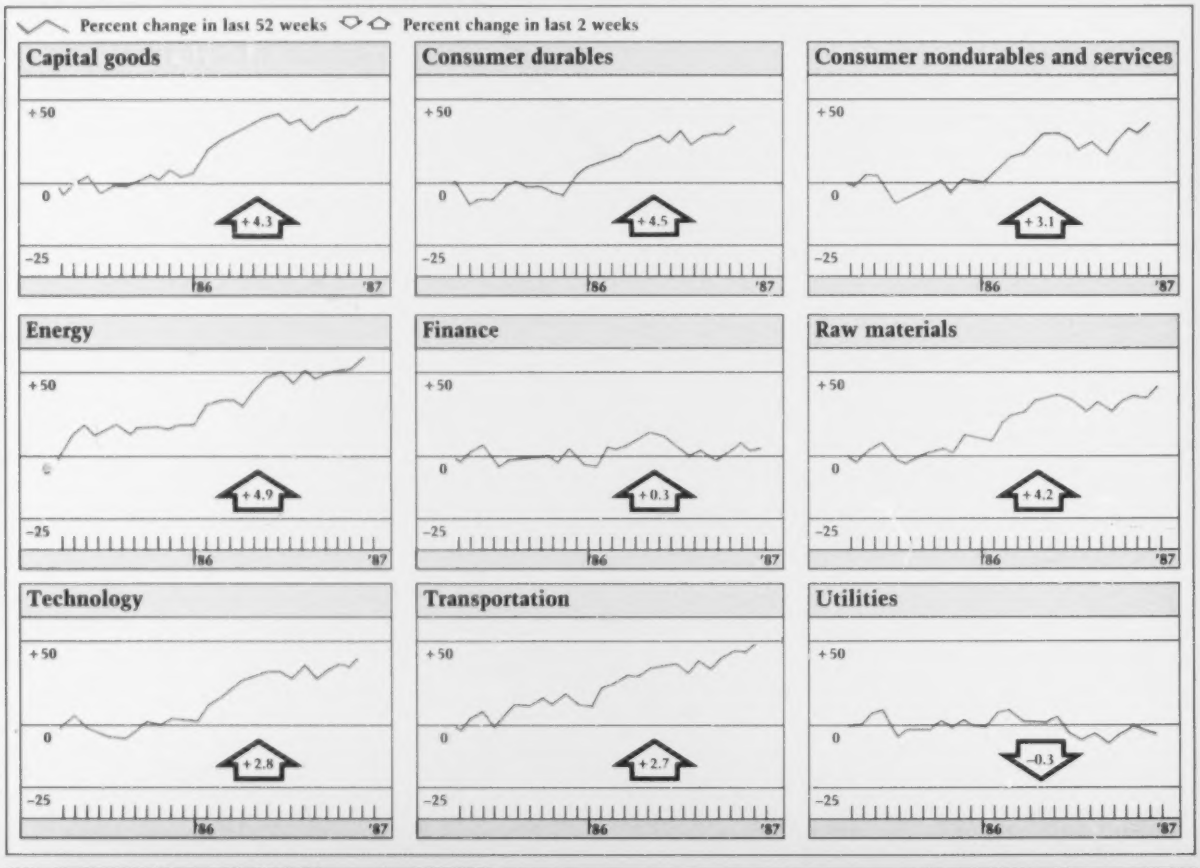
Note: All data for periods ending 7/17/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gay French

Where the Action Is

Can oil stocks keep burning? Over the last ten trading days energy was the leading Wilshire sector, up 5%. Mitchell Energy & Development, an oil and gas exploration firm, shot up 22%. Ocean Drilling & Exploration, an oilfield service company, and Freeport-McMoRan, a diversified energy firm, also posted strong gains. Although this group outperformed the overall market by almost 3-to-1 during the last 52 weeks, its run may be near an end. This sector now sells for 19.2 times 1987 estimated earnings, compared with 15.5 for the average stock.

Three other groups posted gains over 4%: consumer durables, capital goods and raw materials. The interest-sensitive finance and utilities sectors remained virtually unchanged.



What the Analysts Think

No, it isn't a mistake. Analysts cut 1988 earnings forecasts for finance stocks a drastic 22% during the last two weeks. Major banks announced writedowns of their Third World loans, and analysts expected other banks to follow suit. Finance stocks rose only 0.3% over the last two weeks, but the estimated 1988 P/E went from 10 to 12.9.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.51	19.1
1987 estimates	3.08	15.5
1988 estimates	3.81	12.6

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Transportation	$2.32	16.1	0.50%	-0.63%
2	Energy	2.60	19.2	0.34	0.70
3	Consumer nondurables	2.45	17.3	0.05	0.51
4	Utilities	2.63	10.5	-0.03	-0.08
5	Raw materials	2.24	17.4	-0.12	-0.07
6	Technology	2.48	18.1	-0.21	-0.62
7	Consumer durables	3.84	13.7	-0.23	0.52
8	Capital goods	2.15	20.3	-0.47	-0.56
9	Finance	2.57	12.9	-22.13	-22.52

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 7/17/87. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

Statistical Spotlight

Warning to fans of computerized investing: Simple formulas don't work.

Fire that computer

By Peter Newcomb and Michael Ozanian

THREE YEARS AGO we let our computer pick stocks: five portfolios of 25 each, with each portfolio based on a single investment theory. No complex screens, no elaborate equations. For example, the low-P/E portfolio was simply the 25 stocks with the lowest price/earnings ratios. Four of the five portfolios tested common investment theories: low P/Es, big discounts from book value, earnings growth and earnings forecasts. The final portfolio was purely random, picked by the computer.

Results: uniformly terrible. Showing an extraordinary consistency, all five computer-generated portfolios underperformed the market. While

Low P/E

Initial investment	Current value of initial $1,000 position
American Century	$484
Central Maine Power	1,494
Chase Manhattan	2,038
Chemical New York	1,660
Cincinnati Gas & Elec	2,443
Commonwealth Energy	1,800
Consumers Power[1]	3,061
Contl Illinois	156
DWG	2,574
El Paso Electric	1,631
Finl Corp America	330
First Am Financial	2,320
First Western Finl	1,460
Ford Motor	2,810
Gibraltar Finl	1,364
Golden Western Finl	4,642
Kansas Cty Pwr & Lt	1,792
Long Isl Lighting	1,721
Maine Public Svc	1,764
Manufacturers Hanover	1,724
Middle South Utils	989
Public Svc Ind	1,899
Public Svc New Hamp	951
Toledo Edison[2]	1,182
United Illuminating	1,943
Total value of portfolio	44,232

[1]Now CMS Energy.
[2]Now part of Centerior Energy.

Analysts' choice

Initial investment	Current value of initial $1,000 position
Alcan Aluminium Ltd	$1,841
Allen Group	1,102
Aluminum Co of Am	1,719
Arrow Electronics	318
Black & Decker	1,056
Chesapeake	2,068
Chrysler	3,097
Clark Equip	960
Data General	634
Esterline	643
Federal Paper Board	2,288
Foxboro	1,030
Georgia-Pacific	2,329
BF Goodrich	1,798
Koppers	2,226
Lotus Development	4,320
Marshall Inds	1,042
Mead	1,117
Moore McCormack Res	1,157
Paccar	1,673
Signal Cos[1]	1,844
Singer[2]	1,543
Joy Mfg	reinvested
St Regis	reinvested
United Energy Res	reinvested
Total	35,805
Reinvested distributions	5,342
Total value of portfolio	41,147

[1]Now Allied-Signal. Includes Henley Group and Fisher Scientific distributions.
[2]Includes SSMC distribution.

Growth

Initial investment	Current value of initial $1,000 position
Academy Insur Grp	$300
Amfesco Inds	196
Avant-Garde Comptng	183
BR Communications	403
CPI Corp	2,517
Comair	2,033
Commodore Intl	351
Dreyfus	3,645
Dysan[1]	1,050
First Executive	1,954
GTS	333
General Homes	962
Helen of Troy	1,268
Jeffrey Martin	1,077
Key Pharmaceuticals[2]	2,114
Limited	5,839
Liz Claiborne	6,909
Phoenix American	700
Provincetn-Bos Air	11
Quick & Reilly Grp	1,761
Southern Hospitality	613
Yankee Cos	247
Berg Enterprises	reinvested
Gulfstream Aerospace	reinvested
Nutri/System	reinvested
Total	34,466
Reinvested distributions	6,648
Total value of portfolio	41,114

[1]Merged into Xidex.
[2]Merged into Schering-Plough.

the Wilshire index of almost 6,000 stocks nearly doubled, our portfolios, on average, gained only 63%. Chance, of course, played a large role, but the debacle suggests that the market does not reward investors for doing simple computer screens.

We assumed an investment of $1,000 in each stock. Our rules: If a firm merged, we took shares in the acquiring company. If a firm sold out for cash, we reinvested in the remaining stocks in the portfolio.

The best of the losers: the low-P/E group, up 77%. Golden West Financial and Consumers Power, now CMS Energy, did well. But the list was dragged down by troubled financial institutions: American Century, Financial Corp. of America and Continental Illinois. Advocates of low-P/E

investing would argue for patience. But patience is in short supply in a bull market.

The book value fund had stocks selling for the deepest discount from book value. It turned in the worst performance, with a gain of 52%.

Both the growth stock and analysts' choice portfolios increased less than 65%. The growth fund consisted of stocks that had the highest earnings growth rates for the four years prior to 1984. Since then many of these stocks have lost their magic touch. In 1984 Avant-Garde Computing, a software firm, had an impressive 4-year earnings growth rate of 289% and a P/E of 60. But the firm earned only 24 cents in 1985 and lost money last year. The stock is off 82%.

The 25 issues in the analysts' choice fund were supposed to show the largest percentage gains in earnings from 1983 to 1985. Selecting companies on long-term earnings forecasts, alas, is as shaky as the forecasts themselves (FORBES, *June 1*). In 1984 the analysts expected Arrow Electronics to earn $3.79 the next year. The company lost $1.69. Esterline, a precision instrument firm, made 16 cents in 1985 instead of the $3.13 that was forecast. Both stocks are off sharply.

The randomly selected smart dart fund, the successor to our original Dartboard Fund, is up 56%. The computer picked Forest Labs, a drug company, which nearly tripled, and Big Bear, a supermarket chain, which increased 230%. Richardson-Vicks, which was taken over, was a wise choice. But the dart also landed on Victoria Bankshares, Texas American Bancshares and Bellwether Exploration, all suffering oil industry blues.

The smart dart fund has a long way to go to catch up to its predecessor. In the fall of 1967 three FORBES executives threw darts at the NYSE stock market page of the *New York Times* and selected 28 stocks (FORBES, *Nov. 1, 1967*). By July 1984 our imaginary investment of $28,000 was worth $132,000, excluding dividends. Our marksmen outperformed the Dow by better than 5-to-1, 9.5% a year vs. 1.9%. But one stock, Texas Oil & Gas, which increased 7,176%, accounted for almost all the brilliance in these darts. By 1984 almost half the 28 stocks were merged or acquired, so the original fund was put to rest and replaced with five electronic dartboard funds.

The original dartboard was intended to poke fun at the random walk theory of investing then popular in academe—the theory that guesswork was as good as studying financials in selecting stocks. The son of Dartboard seems to have poked a small hole in the current fad for computerized investing. ■

Smart dart random

Initial investment	Current value of initial $1,000 position
Argosystems	$2,176
Bellwether Exploration	169
Big Bear	3,355
Burndy	1,081
Dreyer's Gr Ice Cream	1,110
AG Edwards	1,904
Forest Labs	3,733
Infodata Systems	467
Intl Banknote	1,000
Iomega	683
Penn Central	1,342
Rainier Bancorp	2,874
Sandwich Chef	883
Sis Corp	784
Texas Am Bancshares	363
Time Inc	2,438
Toro	2,633
Ultrasystems	622
Victoria Bankshares	694
Winnebago	1,122
American Sterilizer	reinvested
Ampad	reinvested
Home Centers of Am	reinvested
Richardson-Vicks	reinvested
Steiger Tractor	reinvested
Total	29,433
Reinvested distributions	9,559
Total value of portfolio	38,992

Value

Initial investment	Current value of initial $1,000 position
Allied Supermarkets	$3,810
Barber-Greene[1]	414
Biotech Capital	5,333
Charter Co	2,706
Consumers Power[2]	3,061
Contl Illinois	156
Crompton	68
Digicon	105
Evans Products	0
General Pub Utils	3,103
Inspiration Res	985
Keystone Consl Inds	5,824
Republic Steel	367
Long Isl Lighting	1,721
Manufacturers Hanover	1,724
Manville	439
Marine Midland Banks	2,969
Offshore Logistics	643
Peoples Restaurants	0
Public Svc Ind	1,899
Transcontl Energy	167
Twin City Barge	71
Wheeling-Pitt Stl	358
Crocker National	reinvested
Petro-Lewis	reinvested
Total	35,923
Reinvested distributions	2,053
Total value of portfolio	37,976

[1]Merged with Astec.
[2]Now CMS Energy.

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AUGUST 24, 1987

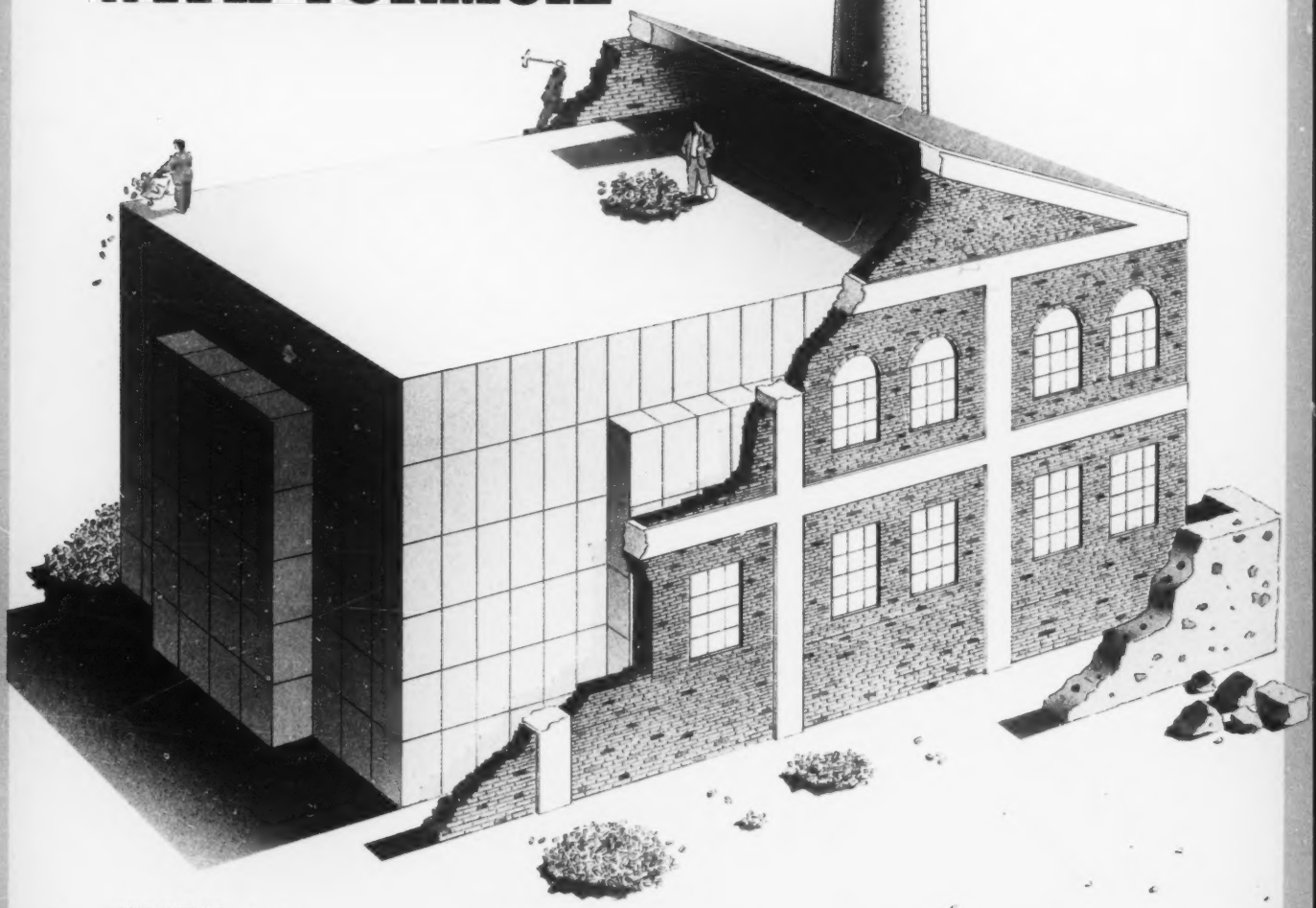
THREE DOLLARS FIFTY CENTS

Forbes

General Motors
It's getting a little scary

THE PROTEAN CORPORATION

HOW SMART BUSINESSES COPE WITH TURMOIL



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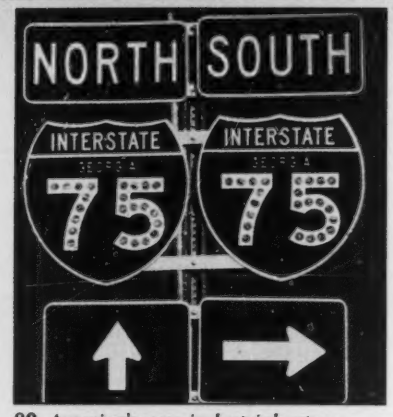

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August 24, 1987 Volume 140 Number 4 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1987 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.
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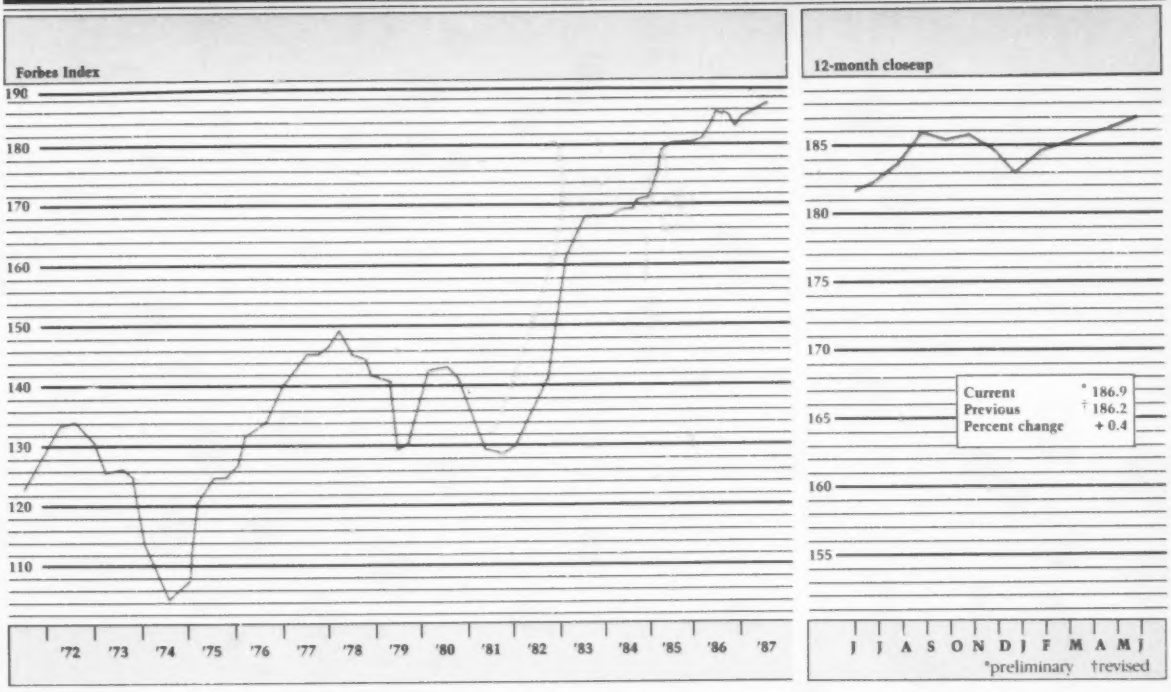
The Forbes Index



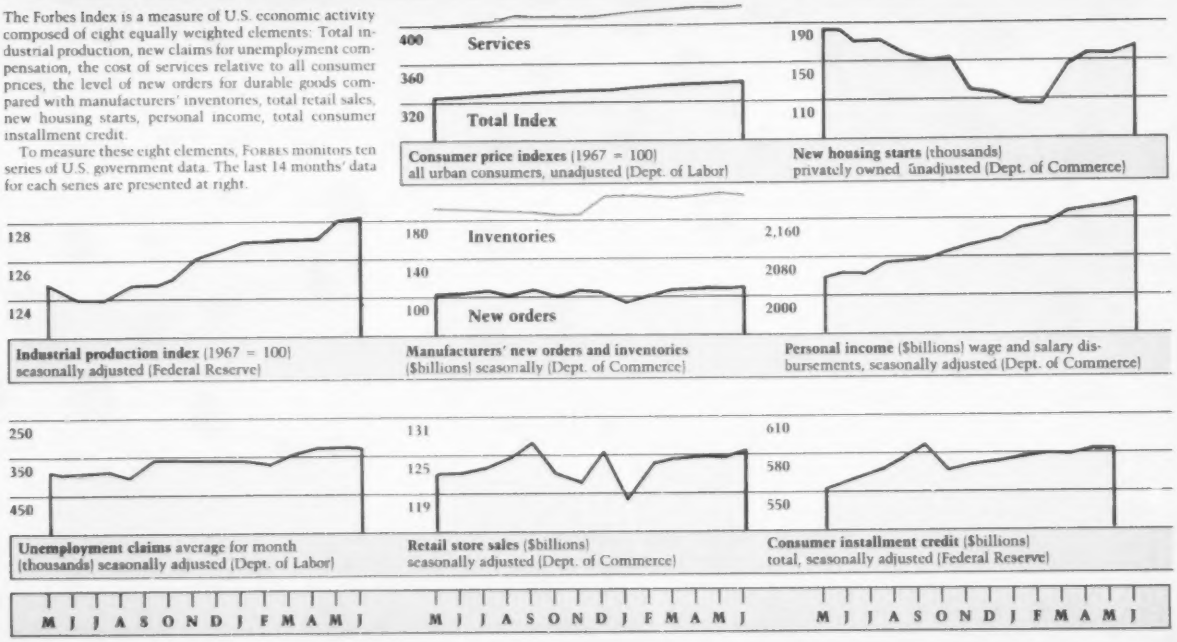
A boost from Uncle Sam. The Forbes Index climbed 0.4% during June, to an alltime high of 186.9% of its 1967 base value. The big push came from military spending, which pushed the ratio of manufacturers' new orders for durable goods (three months through June) to inventories (June) up 1.2%. The Index also got help from two other components. The ratio of the cost of services to the overall Consumer Price Index rose 0.2% in June, while personal income climbed 0.4% from May to June, to an annual rate of $2.2 trillion.

Higher mortgage rates, meanwhile, continue to hurt the housing sector. The 12-month total of new housing starts fell 1.1%, as new starts were only 165,000 this June, compared with 183,600 a year ago.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Statistical Spotlight

Stock buybacks aren't as lucrative for shareholders as they used to be, but there is still some money to be made.

Buy-in

By Michael Ozanian

HENRY SINGLETON was sneered at when Teledyne, his Los Angeles-based technology conglomerate, began buying up its own shares in 1972. The more shares Teledyne bought, the lower the price went, going from 8 in 1972 to around 3 by late 1974. The buying continued and drove up the earnings per share for the shareholders who held on. Now there are 85% fewer shares outstanding (adjusted for splits), and the stock trades near 367.

The sneering stopped. Today share repurchases are a fad. Goldman, Sachs estimates that stock buybacks totaled $45 billion in 1986 and may reach $35 billion this year, in spite of recent tax law changes that make such recapitalizations less compelling. When Teledyne began using share buy-ins as a way to distribute profits, the tax rate on dividends was almost three times the rate on capital gains. Beginning next year, the rates will be the same.

One reason Teledyne (and other repurchasers, such as Chris-Craft, Capital Cities Communications and Crown Cork & Seal) did well no longer holds today. And that is that the repurchasers of the 1970s were paying something like 10 times earnings for their stock. Today the average issue sells for 21 times trailing 12-month earnings.

But buybacks are still popularly seen as an upward force on the stock price. "One of the first things a money manager asks about a company is, 'Is this a stock repurchase candidate?' " says one investment officer at Lazard Frères & Co.

To see if a common characteristic existed among those firms that have had successful buybacks, we screened the Value Line database for companies with the biggest percentage decreases in shares outstanding from December 1983 to December 1986. The 126 companies with shrinkages in common shares of at least 10% gained an average 75% during the three years, against the market's 51%.

What factors correlated with performance? The results were somewhat surprising. Analysts often say that a high cash flow and book value (in relation to starting price) are important, but neither fundamental showed a correlation to stock performance. The only variable with a significant correlation was the earnings yield—the inverse of the P/E. In other words, the lower the P/E, the better the subsequent performance in the price of the stock.

We then searched for future successful buyback candidates by screening those firms that Value Line estimates will have reductions of at least 10% in shares outstanding over the next three to five years. Listed below are the nine in that category that also have multiples below 20 and at least some shrinkage in shares outstanding from 1983 to 1986.

The more successful buybacks are the ones that continue over a period of time, says Norman Weinger, an analyst at Oppenheimer & Co. One-shot deals, he says, tend to be immediately reflected in the stock price, leaving little for the subsequent investor. ■

Fewer mouths to feed

In the right circumstances—namely, when a stock is selling cheaply enough in relation to earnings—a repurchase by a company of its own shares improves the earnings per share on the remaining shares. Below are firms with below-market P/E ratios, a history of share repurchases and a likelihood of further repurchases.

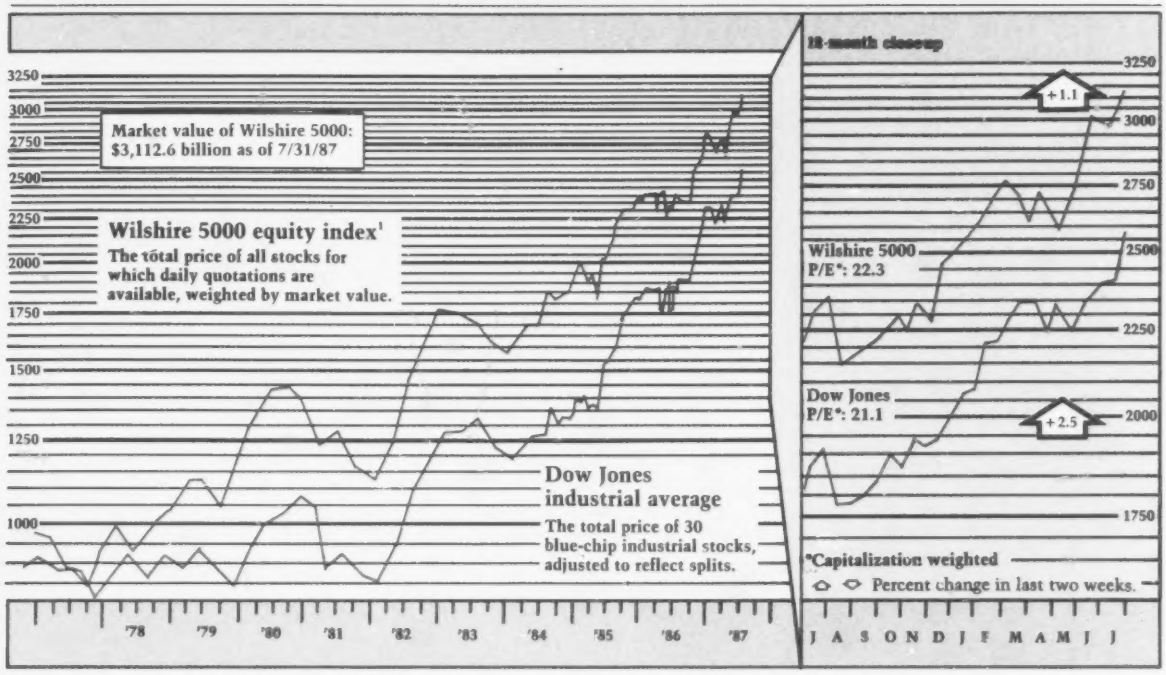
		Shares outstanding[1] (millions)		% change				
Company/business	Price	recent	projected	Projected[2] vs. recent	1986 vs. 1983	Latest 12-month EPS	Latest 12-month P/E	Debt/ equity
Ford Motor/auto	103	268.4	231.4	–13.8%	–2.2%	$15.35	6.7	14%
Boston Bancorp/savings & loan	23	9.0	8.0	–11.0	–2.2	2.39	9.6	49
Chelsea Inds/packaging, electronics	21½	2.6	2.2	–15.2	–3.7	2.08	10.3	35
Rockwell Intl/aerospace, electronics	26½	287.8	250.0	–13.1	–6.9	2.25	11.8	20
Mapco/oil, coal	56⅞	21.3	18.7	–12.1	–26.0	3.63	15.7	80
Crown Cork & Seal/packaging	128½	10.0	8.6	–13.6	–24.2	7.68	16.7	5
Geico/insurance	122½	16.7	15.0	–10.3	–18.1	7.26	16.9	27
McCormick & Co/food processing	48	12.0	10.8	–10.1	–4.0	2.79	17.2	38
EDO/defense, electronics	16½	7.1	6.3	–11.8	–15.5	0.84	19.6	62

[1]Common stock outstanding at end of fiscal year, excluding treasury stock. [2]Estimate of shares outstanding to be reached within five years.

Source: Value Line Investment Services via Lotus One Source.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Four for the record books. With the Dow industrials hitting four consecutive new highs in the last five trading days, finally breaking the 2500 mark, you have to wonder what the market is feeding on. One source of nourishment is the large amount of Japanese cash pouring into big-capitalization U.S companies like Goodyear Tire & Rubber, AT&T and Sears, Roebuck (FORBES, *Aug. 10*). But U.S. portfolio managers aren't as sanguine. For the latest 12 months, Wilshire Associates *(see p. 126)* reports that the big players have been pulling money out of equity and moving it into cash. So if Japanese investing were to tail off—because of a weakening dollar, say—the rally could be in jeopardy.

For the two-week period, the Dow industrials gained 2.5%, the Amex 1.3%, while the Wilshire 5000 and NYSE each rose 1.1%. Over-the-counter stocks continue to lag the market; they finished the last ten trading days virtually unchanged.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	3.9	4.4	5.6	4.0	5.4	2.1
in last 52 weeks	30.1	31.4	45.8	32.0	37.2	17.3

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	4.3	3.5	4.5	2.6	2.7	2.0	1.9	6.1	5.2	[illegible]	3.8	3.9
in last 52 weeks	32.5	49.5	75.4	23.6	29.9	18.0	12.3	66.2	71.3	19.8	26.0	41.8

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

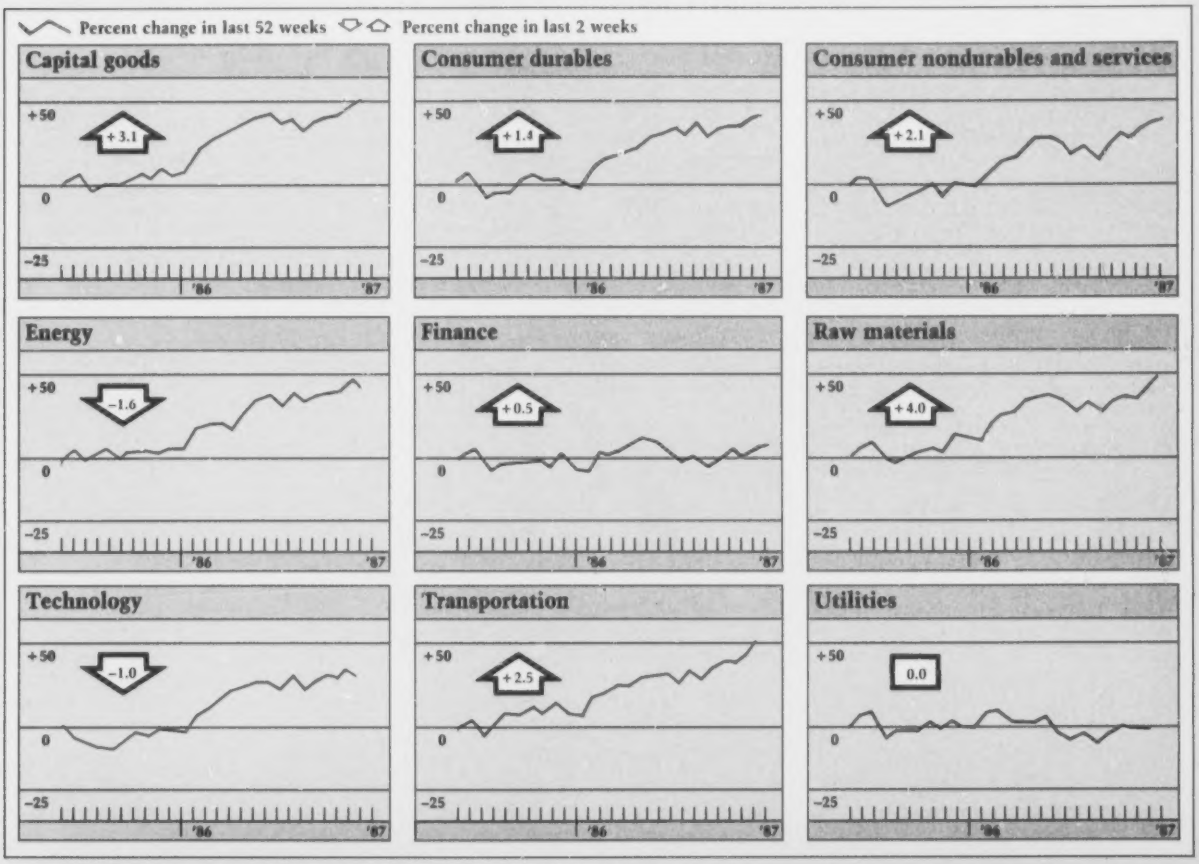
Note: All data for periods ending 7/31/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gay French

Where the Action Is

Heavy metal. Raw materials, with a 4% gain, was the top-performing sector over the last two weeks. The best stocks in this group were the mining companies. Canada-based Echo Bay Mines, which purchased Tenneco's precious metals operations late in 1986, rose 20%. Newmont Mining, which recently completed the spinoff of its U.S. copper operations, went up 19%.

The second-best-performing group over the last ten trading days was capital goods, which increased 3.1%, while consumer nondurables, transportation and consumer durables also topped the market. Energy stocks lost 1.6%, but rising tensions in the Persian Gulf and the Middle East are likely to keep this group strong. Finance, utilities and technology stocks were virtually unchanged.



What the Analysts Think

Are finance stocks a bargain? The finance sector is trading at 15.3 times estimated 1987 earnings, and that's taking into account the giant foreign loan writeoffs. Without the writeoffs, the P/E would probably be less than 10. The rest of the market, on the other hand, is trading at 16.1 times estimated earnings for this year.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.28	21.2
1987 estimates	3.01	16.1
1988 estimates	3.81	12.7

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Consumer durables	$3.92	12.9	0.50%	0.34%
2	Raw materials	2.26	18.2	0.45	0.32
3	Capital goods	1.97	22.0	0.21	-0.17
4	Utilities	2.63	10.5	-0.18	-0.21
5	Consumer nondurables	2.30	18.9	-0.27	-0.25
6	Transportation	2.31	16.6	-0.33	0.18
7	Technology	2.53	17.7	-0.65	-0.87
8	Energy	2.57	19.1	-0.76	-0.42
9	Finance	2.19	15.3	-15.04	-33.94

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 7/31/87. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

The Forbes/TUCS Institutional Portfolio Report

Edited by Steve Kichen

The stock market has been so strong that pension funds have been able to yank cash out and still leave themselves with a heavier than normal weighting of equities.

That shift is apparent in the latest data from the Trust Universe Comparison Service of Santa Monica, Calif.-based Wilshire Associates. TUCS calculated that professional managers cut back their equity holdings by 6.8% over the latest 12 months. (This number is arrived at after backing out the effect of rising security prices: If a stock is up 10% but its value in a portfolio is up only 5%, the manager has withdrawn funds from that stock.) During the past 12 months the institutions cut back fixed-income holdings by 9.5% and other investments (mostly real estate, foreign investments, venture capital and guaranteed insurance contracts) by 3.4%, while increasing cash and equivalents by 3.6%. If the institutions gain confidence in the market, the mounting pile of cash could be moved back into stocks and push prices even higher.

Recently the professional investors have come very close to tying the market, with equity managers showing median total returns of 3.6% for the last quarter and 25.7% for the first half of the year. The Wilshire index was up 3.4% and 25.3%, respectively. Over the past 12 months the pros have returned 21.9%, which is behind the S&P 500's 25.1% return but slightly better than the Wilshire index' 20.2%. Where have the institutions slipped up? Most conspicuously in "emerging growth" stock-picking, where they have averaged a meager 12.4% return over the past 12 months *(see chart below)*.

Bond managers posted a median total return of minus 1.6% for the quarter, which was a bit better than the Shearson Lehman bond index, off 1.9%.

Despite the net withdrawal of assets from the equity segment, rising stock prices helped equity to rise to 58.8% of the institutional portfolio, as shown in the table "Where the institutions put their money." The percentage of the typical institutional portfolio invested in equities is at its highest level in more than two years.

Over the last quarter and the last year, the best strategy for stock managers was an eclectic approach. TUCS reports that diversified stock portfolios led, with a median total return of 4.1% for the quarter and 21.2% for the latest 12 months. (These return figures for different manager styles include the effect of cash balances.)

How different managers performed

Manager style	Total return: recent quarter	12 months	24 months[3]
Diversified	4.1%	21.2%	27.3%
Growth	3.4	20.7	28.5
Growth—emerging	0.9	12.4	24.3
Market timer	2.9	16.3	25.7
Sector rotator	2.9	17.5	25.4
Value	3.3	21.0	27.2

Where the institutions put their money

Segment	—Portfolio weighting— most recent quarter	previous quarter
Equity	58.8%	57.2%
Fixed income	28.1	30.0
Cash and equivalents	9.9	9.6
Convertibles	0.9	0.9
Other[1]	2.3	2.3

Equity portfolio characteristics

	Institutional portfolios	Wilshire 5000
Price/earnings ratio	18.6	18.2
Dividend yield	2.6 %	2.7 %
Beta[2]	1.04	1.05
Price/sales	1.14	1.09
Price/book	2.86	2.80

Segment performance and cash flows

Segment	—Most recent quarter— median total return	shift in institutional holdings	—Latest 12 months— median total return	shift in institutional holdings
Equity	3.6%	–1.1%	21.9%	–6.8%
Fixed income	–1.6	–3.6	5.6	–9.5
Cash equiv	1.6	2.2	6.4	3.6
Convertibles	0.3	0.2	10.4	–1.3
Other[1]	1.6	0.1	7.9	–3.4
Total	2.4	–0.9	15.4	–2.9

Position changes: These securities had the greatest relative change in holdings over the last quarter

Security	Increase in holdings	Total quarter return	Security	Decrease in holdings	Total quarter return
IBM	5.7%	9.0%	Wal-Mart Stores	–2.4%	17.7%
Norfolk Southern	2.0	7.0	Primerica	–1.6	–13.3
Dow Chemical	1.9	10.1	Genentech	–1.3	–30.1
Merck & Co	1.9	10.7	General Re	–1.3	–7.8
Chevron	1.5	11.6	Vulcan Materials	–1.3	6.3
Eastman Kodak	1.5	12.5	Texaco	–1.1	8.4
Exxon	1.3	9.9	American Express	–1.1	–7.4
Apple Computer	1.3	25.8	ITT	–1.0	–1.2
Upjohn	1.2	14.3	Cray Research	–0.8	–18.5
Bank of New York	1.1	1.6	Aetna Life & Cas	–0.8	–2.8

[1]Real estate, foreign investments, venture capital, guaranteed insurance contracts. [2]A measure of risk. A stock with a beta of 1.00 tends to move up or down at the same rate as the S&P 500. [3]Figures for 24 months are annualized.

Note: Data for quarter ending 6/30/87. Prepared by the Trust Universe Comparison Service (TUCS®), a service of Wilshire Associates, Santa Monica, Calif.

Where the institutions are—and aren't

Most overweighted relative to Wilshire 5000			Most underweighted relative to Wilshire 5000		
	% of			% of	
Security	institutional universe	Wilshire 5000	Security	institutional universe	Wilshire 5000
Digital Equipment	1.5%	0.8%	Exxon	1.1%	3.0%
Apple Computer	0.4	0.2	AT&T	0.4	1.6
Ford Motor	1.1	0.8	British Petroleum	0.2	1.2
K mart	0.6	0.3	IBM	3.3	4.3
Tandem Computers	0.3	0.1	General Electric	1.5	2.3
NCR	0.4	0.2	BellSouth	0.3	1.1
Occidental Petroleum	0.4	0.3	Royal Dutch Pete	0.7	1.5
Philip Morris	1.1	1.0	B.A.T Inds	0.1	0.6
Waste Management	0.5	0.3	Bell Atlantic	0.3	0.8
Squibb	0.5	0.4	Ameritech	0.3	0.8

Utilities take another hit as this group falls from 6.6% to 5.4% of the typical institutional portfolio in the second quarter. Professional managers tended to keep telephone stocks but sell shares of electric companies. The latter are suffering from limited growth prospects and the perception that interest rates will not get much lower. The hottest two sectors for the big players over the last three months: transportation, where institutions have added 7.9% to their positions, and consumer durables, where they have added 4.0%.

Sector activity and top holdings

% of institutional portfolio: ■ most recent quarter ■ previous quarter

Capital goods	4.4% 4.7%	Consumer durables	5.2% 5.0%	Consumer nondurables	28.9% 28.3%
	total return		total return		total return
General Electric	4.3%	Ford Motor	18.4%	Philip Morris	6.2%
Emerson Electric	5.1	General Motors	7.2	Merck	10.7
Caterpillar Tractor	11.2	Chrysler	–6.7	Eastman Kodak	12.5
Westinghouse Electric	–0.7	Goodyear Tire & Rubber	25.1	Johnson & Johnson	4.3
Cooper Industries	8.1	Whirlpool	–4.9	Coca-Cola	–2.1
Energy	**10.0%** 9.9%	**Finance**	**12.7%** 13.1%	**Raw materials**	**14.0%** 13.8%
	total return		total return		total return
Exxon	9.9%	American Express	–7.4%	El du Pont de Nemours	8.0%
Royal Dutch Petroleum	15.5	American Intl Group	–2.1	Dow Chemical	10.1
Chevron	11.6	General Re	–7.8	Waste Management	7.4
Amoco	10.8	Citicorp	18.4	Monsanto	7.6
Atlantic Richfield	20.3	JP Morgan	11.8	Allied-Signal	–3.9
Technology	**15.3%** 14.8%	**Transportation**	**4.1%** 3.8%	**Utilities**	**5.4%** 6.6%
	total return		total return		total return
IBM	9.0%	Union Pacific	4.9%	AT&T	18.2%
Digital Equipment	0.8	Norfolk Southern	7.0	Nynex	7.5
Minnesota Mng & Mfg	10.4	AMR	13.4	Southwestern Bell	1.1
Hewlett-Packard	7.6	Burlington Northern	22.8	Pacific Telesis	1.1
Apple Computer	25.8	Federal Express	8.9	GTE	–4.8

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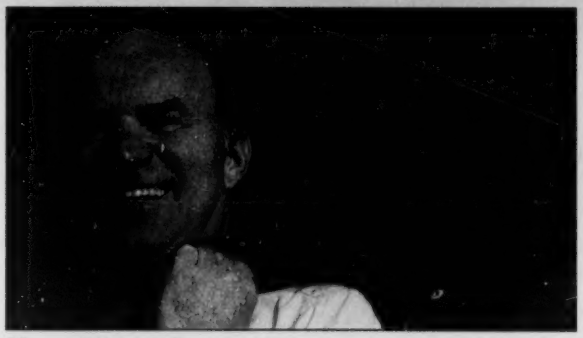

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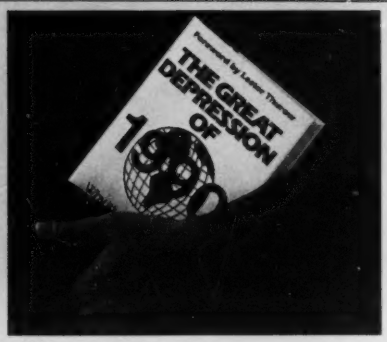

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September 7, 1987 Volume 140 Number 5 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1987 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.
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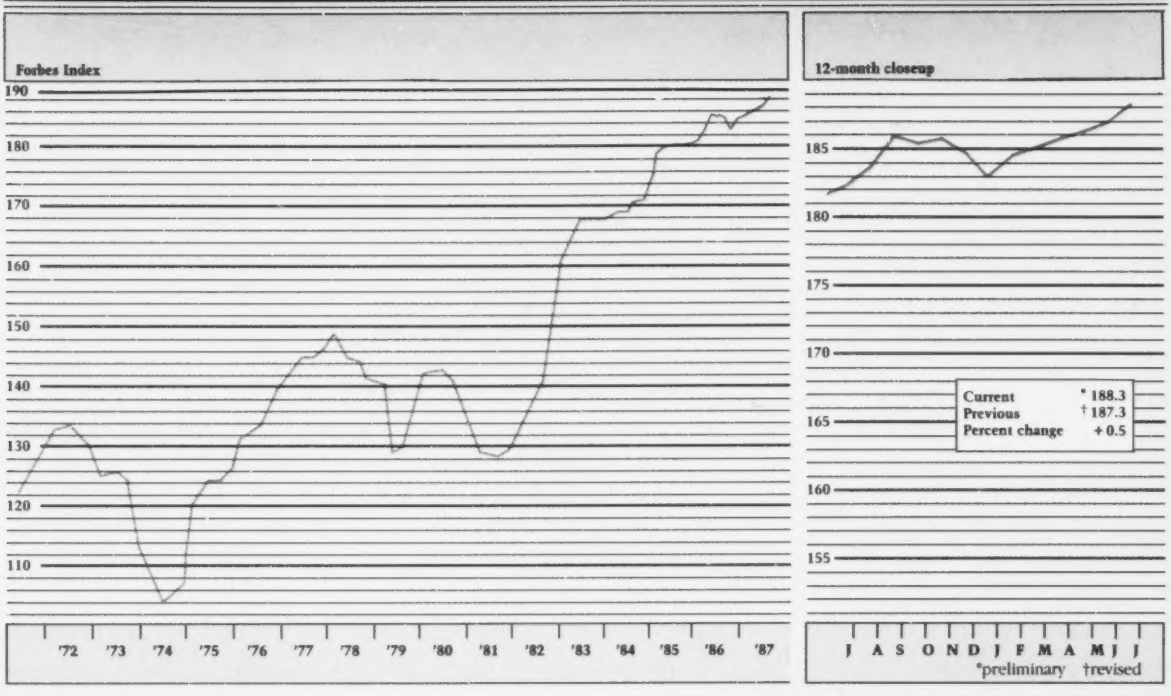
The Forbes Index

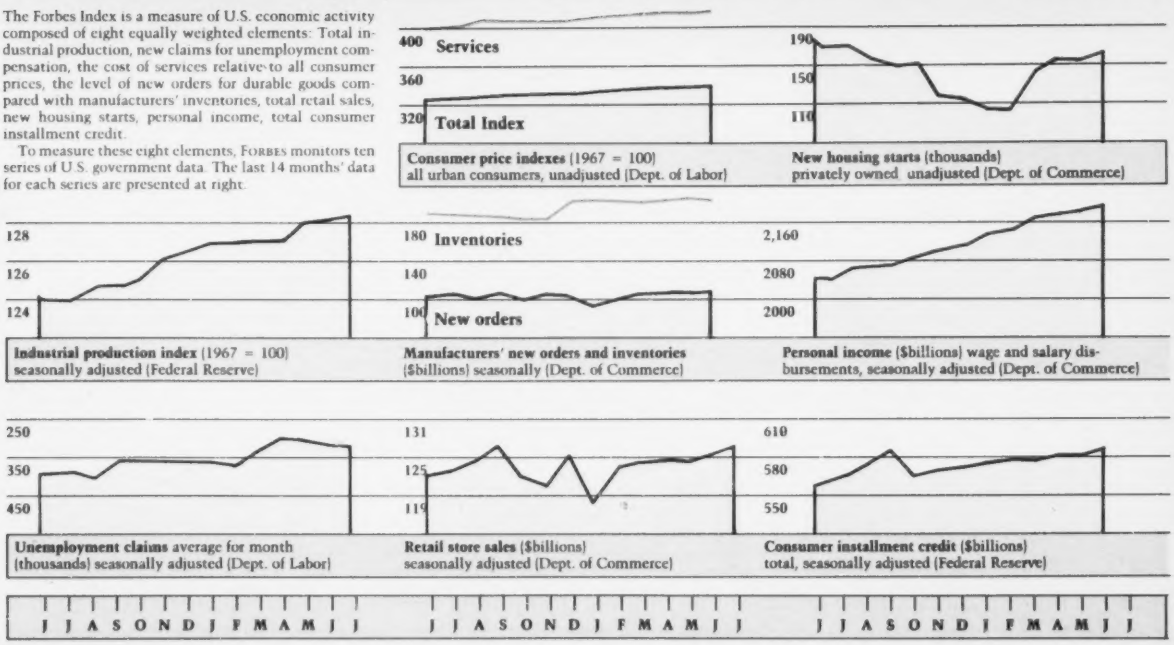


Clouds on the horizon. The economy continues to grow at a modest pace but not without problems. Industrial production rose 0.8% in July, which brings it to a level 3.9% higher than it was one year ago. Retail sales are up 0.8% from the previous month. Latest figures (June) show a 0.6% rise in consumer installment credit over the previous month. A 0.4% jump in new unemployment claims in July represents the third consecutive increase for this component. Meanwhile, rising prices for oil imports and consumers' willingness to purchase imported goods, despite prices made higher by a weaker dollar, helped bring about a near-record trade deficit of $15.7 billion in June.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Taxing Matters

Edited by Laura Saunders

States are lowering personal income tax rates, but beware. Often there's less to the reductions than meets the eye.

Bait and tax

By Janet Novack

QUICK: NAME THE STATE with the highest individual income tax rate for 1988. New York? That's ancient history. Minnesota? Not any more.

Try Iowa, with a 13% rate on a joint return's taxable income above $76,725.

States have been scrambling to shuffle their tax codes in the wake of last fall's federal tax overhaul. Many are jockeying to keep themselves off the infamous lists of states with the highest rates. But this process has not been an unqualified boon to upper-income taxpayers. In some states, reductions in rates have been coupled with changes in the definition of taxable income that leave state income taxes more progressive than before.

In some states, rates on so-called unearned income—interest, dividends and capital gains—are much higher than the more widely cited rates on earned income. The table below shows the highest rates that hit unearned income. With the top federal rate coming down from 50% to 33%, the effective cost of state taxes is higher (since the federal deduction for state taxes will be worth less). Investors in high-tax states have to be more careful than before to buy in-state municipal bonds rather than out-of-state ones, and to save via Treasury securities rather than bank accounts. Interest on in-state munis in most states (Iowa is an exception) and on Treasury paper (in all states) remains exempt from state tax.

Following the federal pattern, 11 states and the District of Columbia have already cut their top rates on unearned income. In 1986, 10 states had rates above 10%; in 1988, under current law, only 4 will.

But beware. In some cases, there's far less to the slashing than meets the eye. While New York did give its overtaxed residents a $4.5 billion break (to be phased in by 1990), several other states have lowered the tax rate but not the bite.

That's because most states piggyback their tax systems onto federal definitions of income. So, like Uncle Sam, they now have a broader tax base to draw on. If the states hadn't lowered rates they would have received a $6.3 billion windfall from federal tax reform. As it is, they're planning to keep about $1.2 billion of it.

Most of the 1987 state reforms will in fact make state tax systems more progressive, meaning the affluent will pay more. Oregon lowered its top marginal rate on both salary and portfolio income from 10% to 9%. But taxpayers with adjusted gross incomes over $200,000 will pay an aver-

The top tax rates

Following Uncle Sam's lead last fall, many states have changed their personal income tax formulas. Here are the ten states with the highest marginal rates on unearned income in 1986 and—according to laws now on the books—expected in 1988.

1986 State	Top marginal rate	Effective at (for joint return)	1988 State	Top marginal rate	Effective at (for joint return)
Minnesota	14%	$32,000[1]	Iowa	13%	$76,725[2]
New York	13.5	26,000[3]	Montana	12.1	48,100[4]
Vermont	13.25	175,250[5]	Connecticut	12	100,000[6]
West Virginia	13	120,000	California	11	59,660[4]
Iowa	13	76,725[2]	Hawaii	10	40,400
Connecticut	12	100,000[6]	Maine	10	50,000
Washington, D.C.	11	25,000	Massachusetts	10	flat rate[7]
California	11	57,580	Washington, D.C.	9.5	20,000[8]
Hawaii	11	61,000	Oregon	9	10,000
Montana	11	46,400	Kansas	9	50,000

[1]Minnesota's 14% rate applied only to taxpayers who deducted their federal taxes from income; otherwise the top rate was 9.9%. [2]Iowa allows federal income taxes to be deducted. [3]The maximum rate on earned income in New York was 9.5%. [4]Montana's rate reflects a temporary 10% surcharge. The $48,100 threshold for Montana and the $59,660 threshold for California are for 1987 and will be adjusted upward in 1988 to reflect inflation. [5]State tax was 26.5% of federal income tax liability. Highest state marginal rate was found by multiplying that percentage by 50%, which was the highest federal rate in 1986. [6]Connecticut does not tax earned income, only dividends, interest and capital gains. However, the $100,000 threshold is based on federal AGI. [7]Rate is for unearned income. Earned income is taxed at 5%. [8]Rate has been approved by the city and is under congressional review.

age 16% more in 1988, those in the $100,000-to-$200,000 range, 8% more. One notable exception to this trend is West Virginia, where a cut in the top rate from 13% to 6.5% will benefit the $100,000-plus class, with the $20,000-to-$60,000 group picking up the tab.

The lower marginal rates were a priority in many statehouses. Why? The pols wanted their taxes to look lower to gain an edge in the economic development war between the states.

"How many prospects don't look at Iowa because someone showed them a chart that Iowa has a top 13% rate?" frets Iowa Governor Terry Branstad, whose plan to cut Iowa's rate to 6% died in the legislature. Pleads Branstad: "When you put the chart in FORBES, put an asterisk [next to Iowa] saying the governor says: 'But we have full deductibility of federal taxes and we maintain the capital gains exclusion and we're going to keep working to bring the rate down.' " That deductibility of federal taxes on Iowa returns has some strange effects. For someone in top federal and state brackets, the effective Iowa rate on, say, bank interest is only 6.1%.

One prod to Iowa: Northern neighbor Minnesota got rid of its awful-looking 14% top rate. In a total overhaul, Minnesota wiped out a slew of deductions, raised personal exemptions and compressed 25 tax brackets spread across two separate rate charts into three, with the highest 8.5% for married couples.

If that sounds too good to be true, it is. Minnesotans with an adjusted gross of $100,000-plus will pay an estimated 19% more under the new system. Still, Tom Triplett, the state's tax commissioner, claims many upper-income folks who didn't use tax shelters will pay less.

"How many prospects don't look at Iowa because someone showed them a chart that Iowa has a top 13% rate?" frets Iowa Governor Terry Branstad, whose plan to cut Iowa's rate to 6% died in the legislature. One prod to Iowa: Northern neighbor Minnesota got rid of its awful-looking 14% rate.

Price Waterhouse calculated for FORBES the impact of state taxes on two hypothetical families in New York, Connecticut, Iowa and Minnesota. The first example consisted of a retired couple with $85,000 of income, including a pension, $25,000 in interest and dividends and $20,000 in long-term capital gains. In 1986 they would have paid $5,302 in Minnesota; $4,760 in Iowa; $4,714 in New York and $1,782 in Connecticut.

In 1988 Iowa's tax bite won't change for this couple, and Minnesota's will rise 6% to $5,612. In New York, which is ending its discriminatory treatment of unearned income, the hit will decline 18% to $3,860. But in Connecticut the bite will rise 42% to $2,532, despite the continuing 60% capital gains exclusion.

Connecticut is, however, a relative bargain for a young couple with two children and $100,000 of earned income from one salary but only $5,000 of interest and $10,000 of long-term gains. That's because the state doesn't tax earned income. By contrast, New York is and will remain in 1988 the most expensive of the four—though by a narrowing margin.

In Price Waterhouse's example, which assumes a $9,000 deduction for mortgage interest, 1988 state taxes will be $7,577 in New York, $7,052 in Minnesota, $5,904 in Iowa and just $866 in Connecticut.

So when it comes to the new "lower" state tax rates, a little skepticism and a great deal of figuring are in order. ■

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1987

Annual Fund Survey

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Fund peddlers on the Channel Islands are dimly aware that some of their customers may be doing something naughty. But it's not their job to find out.

Fund havens

By Richard Phalon

IT IS MID-MORNING in St. Helier on Jersey, one of the Channel Islands and one of the world's busiest tax sanctuaries. In the offices of a British offshore fund manager, an American is pursuing goods of a more permanent variety than the island's VAT-free liquor and Havana cigars.

While the salesperson talks persuasively about performance, the shopper is thinking about the boilerplate in a prospectus he has just read. It says flatly that the fund (like almost all such funds) has not been registered under U.S. securities laws and therefore cannot be sold directly or indirectly to Americans.

The sales rep is very good. A bit more chat and a seemingly artless question: "Are you an American, then?" So much for such giveaways as a button-down collar and a New York accent.

"For the purpose of this conversation," replies the shopper, "I spend no more than 60 days a year in the U.S. The rest of the time I work abroad."

"Ah, I see," laughs the salesman. "Then for the purpose of this transaction I suppose you'll be British—or something."

Offshore biggies

The biggest vary sharply in size and performance.

Fund	Total net assets ($mil)	2-year return*
Robeco	$5,500	146.3%
Rolinco	2,600	144.3
Quantum	2,200	226.3
Unifonds	850	114.3
Capital Italia	842	137.0
Fonsa	787	133.4
Mercury Comm Mkt	762	145.9
Investa	709	130.4
Mercury Far Eastern	492	168.6
Concentra	467	137.0

*June 30, 1985 to June 30, 1987.

Source: Lipper Analytical Services

U.S. securities laws in theory reach beyond the water's edge. But managers overseas have little to fear from the Securities & Exchange Commission. Even operators with indirect U.S. connections that might be vulnerable to SEC pressure argue they can go only so far in checking the "I am not an American" declaration. They aren't very compulsive about enforcing U.S. tax laws, either.

"There are any number of subterfuges," says Richard Syvret, who as commercial relations officer is one of Jersey's top securities regulators. "The simplest is giving a work address abroad instead of a home address in the U.S."

"We're not detectives," says Thomas Veitch, managing director of Wardley Investment Services International, an affiliate (like Marine Midland Banks) of the Hongkong & Shanghai Banking Corp.

Stabbing yet another Player's cigarette into his overflowing ashtray, Veitch says with some asperity, "If we receive an application from an address outside the U.S., we certainly can't question its legitimacy any more than we can ask where the money came from."

Polite fictions notwithstanding, expatriate money—some of it certainly American, a lot more of it British—is one of the major driving forces behind what Lipper Analytical Services counts as 1,015 overseas funds with $80 billion. Jersey alone is home to more than 300 funds.

There is also little doubt that, besides tax-shy money, black currency of one kind or other also gets laundered through offshore portfolios. "It's no different than in the U.S.," says Peter Curry, corporate counsel of Putnam Advisory Co. "You don't know whether the money is coming from a Mafia don or a little old lady in

Chas. B. Slackman

Ian Berry/Magnum

Wardley's Thomas Veitch
Money man yes, detective no.

tennis shoes."

It is all the easier for the money to roll in nowadays, what with the spread of multinational corporations and those peripatetic, well-paid executives who spend part or all of their working lives putting together computer systems in Osaka or wholesaling trucks in Rio. The major beneficiaries have been such havens as Jersey and Guernsey, Luxembourg and Bermuda. The funds leave the investor to deal with his own national tax liabilities as circumstances demand or conscience suggests.

The temptation to invest beyond sight of the IRS (some funds sell bearer shares) is one of those Mitty-esque fantasies to which any U.S. businessman working abroad could succumb. The cost of getting caught could be anywhere from a 50% penalty on unpaid tax to jail. There was one narrow loophole that could be exploited—tax deferment on income from closely held investment companies majority-owned by foreigners—but that was plugged last year.

But it's still no tax violation for an American to own an offshore fund, provided the income gets reported. As to the potential securities law violations, the burden seems to run to the seller rather than the buyer. A buyer found to be masquerading as non-American though, risks having his shares redeemed immediately.

For years the offshore funds were haunted by the Falstaffian shade of Bernie Cornfeld and his rapacious Investors Overseas Services. They had a bad smell about them. But the Cornfeld scam led slowly to tighter regulation in the tax havens themselves to disclosure approaching American standards. The bad odor faded.

Bernie's successors are the respectable likes of Fidelity Investments, Marsh & McLennan's Putnam International, Equitable's Alliance Capital and Aetna Life & Casualty. Fidelity, building on its huge U.S. and U.K. bases, has, through sister corporations, accumulated more than $2 billion in such havens as Luxembourg, Jersey and Bermuda. Citicorp, aiming mainly at institutional accounts, has $250 million in 43 offshore funds.

What does an investor find when he enters this strange world? Many of the offshore funds, by American standards, are quite small and speculative. They may load up on illiquid private placements. Drexel Burnham's closely held Worldwide Securities Ltd., for example, on Apr. 30, 1986, its last available report, had 14% of its assets tucked away in restricted and unquoted securities. A Peat Marwick accounting note said management's valuation procedures "appear to be reasonable" but involve "subjective judgment."

Few of the choices come cheap. Loads cluster around 5% but can run to 7.5%. Management fees, generally 1% plus performance bonuses, tend to be higher than in the U.S. Citicorp's specialized funds, for one, draw incentive fees amounting to 15% to 20% of any annual increase in net asset value of more than 10%.

How to judge them? Two major independent reference points are the Financial Times Offshore Fund Yearbook (FT Business Information, Ltd., 102 Clerkenwell Road, London EC1M 5SA) and the New York-based Lipper Analytical Services. The Lipper figures *(see table, p. 140)* suggest that the best of the offshore funds are indeed first-rate.

Do offshore funds ever cheat their clients? "We don't hear very much in terms of investor complaints," says an SEC investigator. "It's in the nature of the beast. A guy who is trying to dodge taxes isn't in much of a position to cry foul." ■

Don't drool over last year's returns on international investing. They aren't relevant to your investment decision today.

Buying abroad

By Ronit Addis

FOREIGN BOND FUNDS are terrific investments, says a letter from a public relations firm promoting Tucker Anthony's Freedom Global Income Plus. Just think: You would have made 16.1% a year in Japanese bonds from 1976 to 1986, or 14.5% in British bonds. During that decade U.S. bonds brought in an average return of only 9.9%.

Persuaded? Don't be. Within that sales pitch lies one of the greatest investment fallacies: Investors foolishly think that whatever has been good in the past will remain good. Yet, often as not, the opposite is true. Small company stocks beat the blue chips during one period, then blue chips beat small stocks in the next. Bondholders get murdered in the 1970s, then make windfall gains in the 1980s. After all, there would be no logic in a world in which one stock, one sector or one country always did

The largest foreign stock funds

Assets of funds that invest abroad have been exploding. For further data, see the stock fund tables beginning on page 170.

Fund	Assets ($mil)	Fund	Assets ($mil)	Fund	Assets ($mil)
Templeton World Fund	$4,199	Templeton Foreign Fund	$276	Scandinavia Fund*	$72
Fidelity Overseas Fund	2,313	Shearson Global Opportunities	269	First Investors Intl Securities	69
Templeton Growth Fund	1,447	EuroPacific Growth Fund	245	World Wide Value Fund*	68
New Perspective Fund	1,119	Korea Fund*	210	Freedom Inv II-Global Fund	65
T Rowe Price Intl Stock Fund	1,004	Mexico Fund*	207	GT Global Pacific Fund	60
Prudential-Bache Global Fund	831	Fidelity Europe Fund	201	Financial Strategic-Pacific Basin	60
Scudder International Fund	807	Alliance Intl Fund	195	Fidelity Intl Growth & Income	53
Japan Fund†	704	Shearson Lehman-Intl Equity	185	IDS Strategy Fund-Pan Pac Gr	53
Putnam Intl Equities Fund	612	Keystone Intl Fund	162	Flag Investors International Trust	36
Templeton Global II	587	John Hancock Global Trust	158	GAM International Fund	34
Vanguard World-Intl Growth	560	AMA Growth Fund-Global Growth	136	Taiwan Fund*	32
Oppenheimer Global Fund	517	FT International	119	GAM Global Fund	27
Dean Witter World Wide Inv	495	Templeton Emerging Markets*	112	Alliance Global Fund-Can Fund	27
Merrill Lynch Eurofund	488	France Fund*	111	GT Global International	24
Merrill Lynch Pacific Fund	482	Bailard, Biehl & Kaiser Intl	109	MFS Lifetime Global Equity Trust	22
Merrill Lynch Intl Holdings	359	Thomson McKinnon Inv-Global	105	GT Global Europe	18
IDS International Fund	354	Nomura Pacific Basin Fund	103	Alliance Global Fund-World Eq	12
Templeton Global I	337	Scudder Global Fund	102	Criterion Global Growth Fund	11
PaineWebber Atlas Fund	322	Fenimore International Fund	96	Sigma World Fund	11
Fidelity Pacific Basin Fund	317	Asia Pacific Fund*	85	Colonial Intl Equity Index	9
Sci/Tech Holdings	298	Italy Fund*	81	GT Global Japan	7
United International Growth	292	Scudder New Asia Fund*	78		

*Closed-end. †Plan to convert to open-end pending as of 8/14/87.

Foreign income funds

From the table beginning on page 218.

Fund	Assets ($mil)
First Aus Prime Income Fund	$783
Merrill Lynch Retirement Global Bond	363
T Rowe Price Intl Bond Fund	202
Mass Financial Intl-Bond	148
Templeton Income Fund	119
Pacific American Income Shares	93
Klienwort Benson Aus Income Fund	66
Fidelity Global Bond Fund	27
Freedom Invest II-Global Income Plus	25
AMA Income Fund-Global Short Term	16
AMA Income Fund-Global Income	15
Meeschaert International Bond	9

better than the rest. The market abhors predictability.

That said, there is a legitimate reason to invest in international funds, but not what the touts would have you believe, that they outperform other groups. The real reason is diversification. You don't know whether Japanese bonds will outperform U.S. bonds next year, but you do know that the Japanese market won't move in lockstep with the U.S. market. The wise investor covers his bets. The advantage of foreign funds as a hedge is that they protect the investor against a falling dollar: If the dollar depreciates against the other currency, a U.S. investor can make money even without a gain in the local market. So we present these lists of international funds, not because they have performed well in the recent past, but in the interest of diversification.

Until mid-May most of these funds were booming. Then the dollar began to rebound, and since then net sales at some have fallen off. Still, hopeful fund operators have shoved out 14 new overseas funds so far this year. There are another 10 new global funds, which invest in the U.S. as well as abroad.

Some invest in markets throughout the world. Others, such as the Scandinavia, Japan, Mexico and Italy funds, limit themselves to specific regions or countries. The Templeton Emerging Markets Fund invests only in the Third World.

Many of the new offerings are bond funds. If the bonds are denominated in a weakening currency, such as the Australian or New Zealand dollar, they will have a higher yield than U.S. bonds of similar credit quality. But remember this when you are attracted by the apparent high yield: Further declines in, say, the Australian dollar against the U.S. dollar could easily turn the seemingly handsome return

into a loss. By the same token, a low-yield bond in a strong foreign currency (yen or Swiss francs) may be just as good a buy as a U.S. dollar bond.

The big question, in any event, is how well the U.S. dollar will do against the rest of the world's currencies as a group. If the dollar continues to weaken, then almost any international bond fund will probably do well. If the dollar strengthens, an international bond fund almost certainly won't beat a U.S. bond fund.

Right now the consensus among the experts, reflected in prices in the yen futures market, is for a gradual appreciation of the yen against the dollar. Does that mean yen bonds are likely winners? Not necessarily. The lower yields on yen bonds just offset this anticipated gain in the currency. In short, there's no free lunch in international bonds.

Although there are no free lunches, there are some modest discounts. Closed-end stock funds are available at a discount to underlying asset value for France, Italy, Mexico and South Africa (ASA Ltd., the former American South Africa). Thus, it is possible to get some international diversification more cheaply than by going into an open-end fund. There is a risk, however, that the discount will be just as wide when it comes time to sell. ■

It's okay to hire a relative—if you're as talented as Lilia Clemente and your relative is as talented as Leopoldo Clemente.

Family portfolio

Charlyn Zlotnik

Lilia Clemente
A global greening.

By Richard Phalon

LILIA CLEMENTE ranks among the very hottest of global money managers. But the 46-year-old Filipina is typically modest about her performance in these tough and sophisticated markets.

"How can you grow up in Manila and not know something about currency and commodities?" she asks. "Even to buy a lipstick that can be American- or Japanese-made, you have to think about what pesos and yen are to the dollar."

Some of Clemente's skills are almost certainly sharpened at the dinner table. She recently hired as chief investment officer a well-established manager in the person of Leopoldo M. Clemente, her husband of 23 years. As one of the few such husband-and-wife teams around, they run Manhattan-based Clemente Capital Inc. It manages trust accounts, an insurance company portfolio and four funds.

But a lot of Lilia Clemente's skill goes back to an earlier dinner table. She is the eldest of seven children of Jose D. Calderon, a lawyer who specialized in mining companies, and Belen Fabros, the first woman to own a seat on the Manila Stock Exchange. Despite her privileged upbringing, it was an embattled household: An outspoken opponent of Ferdinand Marcos, her father was jailed for nine months when Marcos declared martial law in 1972. Her mother, now governor of Nueva Vizcaya, in northern Luzon, was an active supporter of Corazon Aquino. "I was always asked what I would do for my sisters and brothers if my parents were shot," recalls Lilia Clemente.

The diminutive and kinetic Clemente will not sit on the sofa in her office ("My feet do not touch the floor"), and so she prowls restlessly behind her desk, riffling through

and the loss would not be deductible.

Solution: Sell one long-term muni bond fund and buy into a similar fund at another fund family. If you have money market accounts at two different fund houses, it may be possible to effect a swap with two telephone calls. You switch $37,000 from Dreyfus Tax Exempt Bond Fund to Dreyfus Tax Exempt Money Market Fund, and a few minutes later switch $37,000 from Fidelity Tax Exempt Money Market Trust to Fidelity Municipal Bond Fund. Long-term muni funds from Dreyfus, Fidelity, Rowe Price and Vanguard are essentially interchangeable. But so far the IRS hasn't considered them "substantially identical," says Joseph Palombo, tax partner at Coopers & Lybrand in Boston and author of a recent treatise on investment company taxation.

• *Open separate accounts for subsequent investments.* If, that is, the fund will let you. Fidelity permits multiple accounts in the same name at the same fund (each, of course, must meet the minimum). Merrill Lynch won't.

The idea here is to preserve a separate tax cost for each investment. Suppose you put $10,000 into a fund when it's at $15 and another $10,000 in when it's at $25. A while later you need to withdraw some money when the fund is at $20 a share. Which are you selling, the $25 shares (result: deductible loss) or the $15 shares (result: taxes due)? With multiple accounts, you simply redeem out of the account that suits your purpose.

With all $20,000 in one account, identifying the tax cost is more complicated. One way is to use one of the methods outlined in IRS Publication 564, "Mutual fund distributions." (One guess whether these methods tend to minimize taxes.)

The other approach is to demand that the fund mail a certificate each time you buy shares. Then you can choose whether to redeem the certificate that cost $25 a share or the $15 one. However, funds consider certificates a nuisance and will punish you with time-consuming delays when you redeem. Some funds won't issue them at all.

If you have a conventional, no-certificate account, it remains an open question whether you can identify which shares you are selling merely by writing "Redeem the 392 shares I bought Apr. 3, 1986" on a redemption order. Opinions—from the IRS and from private accountants—vary widely. In short, we recommend the safer technique of opening multiple accounts, if the fund will cooperate. ■

Want to bet with the house and own shares in a fund manager? Pay close attention to where the revenues are coming from.

Are fund management stocks cheap?

By Robert McGough

FOR THE FIRST time in several years, money managers look cheap. Not counting a couple of small fund operators in the red, they're all trading at below-market multiples of their earnings. Despite the Dow's breach of 2600, public money managers are selling for as little as half their prices in the spring. Growth? Since 1983 the per-share net has nearly doubled at Dreyfus, more than doubled at T. Rowe Price and is up tenfold at Franklin Resources.

Why is the market turned off by these stocks? Because it is skeptical that they can keep it up. It's a question of quality of earnings.

There are really only two ways for mutual fund advisers to make money. The fees they earn for managing assets keep rolling in, so long as they have assets to manage. But the underwriting commissions they get when they sell load funds have a way of disappearing when investors turn off to the latest fund fad. Revenues at such outfits as American Capital Management & Research and Criterion Group have leaned heavily on one-time sales loads.

The phenomenon of one-time loads is most conspicuous for bond funds, which enjoyed enormous popularity in 1985 and 1986 as bank customers went hunting for higher yields than they could get on safe bank deposits. Last year bond funds accounted for two-thirds of fund sales (not counting money market funds).

But this year has been mostly bad news for the bond funds. The bond market's tumble in April and May taught investors that bond funds are not as safe as bank deposits. Not surprisingly, sales dried up at funds like Criterion's U.S. Government High Yield Trust. In the second quarter Criterion's income from sales of new fund shares dropped 90% from the 1986 quarter, helping to bring earnings per share down 50%. Similarly, American Capital Management & Research, a subsidiary of Primerica

Fund manager stocks

Why is the market turned off to these stocks? Some of them are dependent on one-time underwriting income. But only some of them.

Manager	Price 8/7/87	Trailing 12-month P/E	Assets under management ($bil)	Market value/ assets
American Capital	18½	12.6	$18.5	2.43%
Atalanta/Sosnoff	10¾	11.4	5.2	1.86
Colonial Group	19¼	10.1	9.7	1.60
Criterion Group	10½	7.6	12.6	0.60
Dreyfus	34⅛	16.2	41.2	3.50
Eaton Vance	23¾	11.1	6.2	1.46
Franklin Resources	23¾	11.5	34.1	1.76
Oppenheimer Capital[1]	11¾	11.6	12.5	0.68
Pioneer Group	21¼	11.5	7.0	1.85
T. Rowe Price	39	17.0	24.3	1.12
Reich & Tang[1]	16½	11.2	5.4	3.06
United Asset Management	18	12.8[2]	25.4	1.48
Dow Jones Industrial Index	2592	20.5		

[1]Master limited partnership. [2]Earnings before amortization of contracts.

Sources: Drexel Burnham Lambert; First Boston; Standard & Poor's.

Corp., garnered 44% of its 1986 revenues from underwriting commissions. For the second quarter of 1987, American Capital's net income per share was off 15%.

Unfortunately, investors seem to be tarring all fund managers with the same brush. Dreyfus and T. Rowe Price, for example, run only no-load or low-load funds and consequently get virtually all their revenues from management fees rather than from sales commissions. They are thus much less vulnerable to a slowdown in fund sales. Dreyfus' second-quarter 1987 earnings are up 26% from 1986. T. Rowe Price, another no-loader, saw its net rise 24% in the second quarter. Contrast this with the declines shown by the companies that concentrate on funds with a large sales charge.

Franklin Resources, whose $15 billion U.S. Government Securities Fund is the largest non-money-market fund in the U.S., got 19% of its revenues from underwriting commissions in 1986. So far it has escaped the earnings rout that has afflicted some load houses.

No-load and low-load houses like Dreyfus and T. Rowe Price (and, to some degree, Franklin) have higher P/Es than their competitors. Even so, the market may be undervaluing these companies relative to firms counting on new sales for most of their profits. It's a difference in quality of earnings.

But say this for all the fund houses that went public: They showed exquisite timing in their public offerings. Would that they do as well for their fundholders when the stock market itself peaks. ■

Bubble and squeak

Not only U.S. fund managers are cleaning up in the current bull market. British managers of open-end funds (unit trusts, as they are called) are hot now. Indeed, overheated, considering the ephemeral nature of their earnings.

The City, London's financial district, has always been a cosmopolitan capital market, and it has profited handsomely from the international investing craze. The hottest trusts invest not only in British but also in U.S., Japanese and continental European stocks. There is even a trust for Philippine stocks. As befits the capital of the thrifty Scots, Edinburgh competes with London for this business.

Unit trust assets, at £43 billion (about $68 billion), have doubled in the last year and a half. Record net sales were recorded in 1985 and 1986.

Although the Scots and English have run pooled investments for over a century—long before the term mutual fund was invented—only recently have they put on airs. "When I went to Edinburgh eight years ago, a lot of investment trusts were managed out of legal practices," says Raymond Kelly, a broker with James Capel & Co. in London. "There wouldn't even be a shade on the light bulb." Now, he says, there are "plush carpets, lovely pictures on the walls, dining rooms."

What's paying for all this? The sort of one-time earnings that evaporate in a bear market. There's no such thing as a no-load fund in the U.K. Trusts charge a 5% commission to all but the largest purchasers.

British management companies have also been getting one-time profits from "box trading." When a shareholder redeems, the trust manager can hold the shares "in the box" and sell them to a later investor at a profit or loss. A nice windfall—in a bull market. Last year both M&G Group and Edinburgh Fund Managers got more than 40% of their revenues from sales commissions and box trading. Management fees, at around 1%, are a bit higher than in the typical U.S. fund, but British managers have to pick up the tab for shareholder expenses, such as printing, accounting and stock transfer.

Notwithstanding the obvious hazards, investors can't get enough of these British management company shares. The average U.K. money manager trades at 22 times earnings, almost double the figure for U.S. money managers, and at a valuation of 4.9% of assets under management, triple the U.S. figure.—R.McG.

There are two big things you have to keep an eye on in selecting a mutual fund: consistency and efficiency.

How to pick a mutual fund

By Laura Walbert

Chas B Slackman

WITH THE STOCK MARKET setting record highs every time you blink, it's easy to find a mutual fund with spectacular recent performance. But mutual fund buyers chasing after those gains are making a costly mistake. Many of the funds that go up the fastest are among those that go down the fastest. When the market goes down, as markets always do, those recent big gains become big losses.

The smart fund investor looks for a record of respectable performance in both bull and bear markets. Consistency is everything. That idea is built into the FORBES rating system, which scores funds separately for up markets and down markets. There are lots of funds that do well in up markets and another large group of conservative funds that look better in down markets. But there are precious few that finish in the top half in both.

That small group of fair- and foul-weather performers qualifies for inclusion on the FORBES honor roll, which appears on page 166. An additional hurdle is a good overall performance since Sept. 30, 1976. Only 19 funds make the grade this year.

Why do we harp so on consistency? Two reasons. One is that you don't know when you will need your money. You may not be around for the full market cycle. If that happens—and it does happen—you don't want to be in a highly volatile fund at the bottom of its cycle.

The other reason is the simple arithmetic of compound performance. Suppose a hot fund races ahead 45% during a bull market, then slumps 30% when the market falls. Another fund gains just 25% during the bull market but falls only 10% during the following bear market. An investor who put $10,000 in the first fund would now have $10,150. In the second fund he would have $11,250. The tortoise beats the hare.

We grade funds over three market cycles between Sept. 30, 1976 and June 30, 1987: three ups and three downs. An exceptionally good or bad run in any of the six market periods is discounted to reduce the effect of one lucky (or unlucky) streak on the fund's rating. The final period, an up lasting almost three years, is weighted more heavily than the others because of its duration and immediacy. That change in the formula from last year—and the fact that some good funds turned too cautious lately—have pushed a few funds down sharply in the rankings. American Capital Venture on last year's honor roll, now gets a D in up markets.

Taxable bond funds are also rated for up and down market performance *(see p. 218)*. Again, it's easy enough to excel in bear markets (by being cautious) or in bull markets (by buying long bonds) but hard to do both.

The most efficient funds

A low portfolio management cost is far from the only criterion in picking investments, but it is an important and often overlooked one. Here we show from one to four of the lowest-expense funds in each of six categories. Each fund has no load or exit fee, has assets over $100 million, and keeps its turnover below 100% a year. We excluded funds whose expense ratios were distorted downward by a temporary absorption of expenses by the sponsor.

Name	Type	Annual Turnover[1]	Expense ratio	Assets ($mil)
Vanguard Index Trust	stock	29%	0.28%	$906
ASA Limited	stock*	2	0.31	846
Lehman Corp	stock*	58	0.43	1,022
Fidelity Trend Fund	stock	71	0.52	815
Vanguard Wellington Fund	balanced	25	0.43	1,541
Vanguard Fixed Income Secs-GNMA	taxable bond	28	0.38	2,307
Vanguard Fixed Inc Secs-Invest Grade	taxable bond	47	0.41	613
Vanguard Muni Bond-High Yield	tax-free bond	38	0.33	809
Vanguard Muni Bond-Long Term	tax-free bond	32	0.33	632
Merrill Lynch Government Fund	money market	NA	0.43	1,622
Vanguard Municipal Bond Money Market	tax-free MM	NA	0.33	1,815

*Closed-end. NA: Not applicable. [1]Lesser of portfolio sales or purchases divided by average assets.

So much for consistency. What about efficiency? By that we mean low transaction costs. Many of today's hottest-selling funds offer just the opposite. They charge their customers money to get in or money to leave. They make existing shareholders shoulder the expense of rustling up new shareholders, via so-called 12b-1 distribution plans costing as much as 1.25% a year. They run up overhead expenses.

Efficient funds keep the costs of investing low. They are no-load, in that they impose neither an initial sales charge nor a redemption fee. Expenses billed to shareholders are low. If they have 12b-1 plans at all, the shareholders pay a negligible amount—or nothing at all, if the expenses of distribution are borne by the promoter of the fund.

Who cares about a 2% expense ratio when the market is going up 25% in a year? For that matter, why worry about an 8.5% sales load, if you're going to make it all back in a few months? Because transaction costs like those are just about the only aspect of investment performance that is truly under the investor's control. And overhead cost is a drag on performance. It may not be noticeable in a single year, or even in five if the market heads straight up. But after 20 years, an extra 1.5% a year in overhead knocks 26% off the value of a portfolio. That's 26% less to retire on.

Don't get us wrong: No one should pick an investment solely on the basis of its transaction costs. But FORBES is well aware of the fallibility of any forecast of investing results. The honor roll is not foolproof. It is only a record of which funds have shown some skill in the past at handling both bull and bear markets.

Efficiency, although much less important than skill in final results, is much more predictable. Last year's high-cost funds aren't likely to give up their distribution plans this year. And you can forecast with 100% certainty that an 8.5% load is going to come out of your hide.

For that reason, FORBES has long shown annual expense ratios alongside performance data. (Performance numbers are net of expenses but do not reflect sales loads.) We also show load charges—front-end and exit fees combined into a single column in the tables. We flag funds with 12b-1 plans unless the plan merely authorizes the fund administrator to spend its own money on distribution. The Vanguard funds present a unique situation, because the administrator is owned by the funds themselves. Vanguard's distribution costs, however, are negligible (less than 0.1%), and so we don't show its funds with a 12b-1 dagger.

This year we introduce our "Most efficient funds" table, aimed at showcasing the efficient operators, much as the honor roll does the performers. The winners meet demanding criteria: Expense ratios lowest in their categories, no temporary absorption of expenses by the sponsor (which would distort the ratio), assets of at least $100 million no sales loads and annual turnover below 100%. The two closed-ends will cost you a broker's commission, but they have an offsetting advantage: They trade at a discount to net asset value. ■

Watching the pennies

At a time when most funds trumpet their bull market gains, the Vanguard Group talks about operating efficiency. Its 45 funds boast some of the lowest expense ratios in the business, and 7 of them make our "Most efficient funds" list *(see p. 162)*. This tightfisted control of costs doesn't win Vanguard many honors in the various mutual fund sweepstakes, but it has attracted some $30 billion in assets.

Almost 60 years old, the group was founded by Walter L. Morgan near the peak of the 1929 bull market. Morgan wanted to start a fund with assets balanced between stocks and bonds—the stocks for appreciation, the bonds as anchor to windward. He called it Wellington Fund after his hero, the victor at Waterloo. Still alert at 89, Morgan recalls that it survived the crash but seemed outmoded in the 1960s, when go-go funds did 50% or 100% a year. Who needed an anchor?

But many go-go operators aren't around anymore, while Wellington, with $1.5 billion in assets, is. As for performance: Since 1929 the fund has chalked up an average 7.7% annual return, about what you would expect. During that period the S&P 500 averaged a 9.7% total return and the Salomon High Grade Corporate Bond Index 4.9%. However, there were times when common stock investors were nearly wiped out and others when bonds had a negative return. Wellington avoided extremes of both pain and pleasure.

The balanced fund wasn't an easy sell. "The first million dollars I practically had to sell myself," recalls Morgan, who still works two days a week at Vanguard. "You couldn't get the dealers to sell mutual funds in those days. They wanted to trade their clients' accounts themselves, and churn them around."

And then many of the brokers found themselves selling apples or driving taxicabs.

John Bogle, who now heads Vanguard, wrote a college thesis on mutual fund costs and used it to get a job offer from Morgan. Under Bogle, Vanguard farmed out most of its portfolio management and focused on sales and administration. Its star money manager, for example, John Neff of the Windsor and Gemini funds, works for one of Vanguard's contract advisers.

Since 1975 Bogle has pushed down the average expense level at Vanguard funds from 0.68% of assets annually to 0.46%. At the same time the average at other large fund groups has gone the other way, from 0.58% to 0.72%. Many funds in the following tables let annual expenses run to 1.5% of assets or even more.

Who cares? Long-term investors should. "If two managers are turning in 12% returns, but one takes 0.5% and the other 1.5%, over 20 years the difference is like that between day and night," says Bogle. Starting with $10,000, the investor would have $88,205 with the first, $73,662 with the second.

Should one, therefore, rush out and buy the funds with the lowest operating charges? No, but costs are an important consideration, especially under the new tax law *(see story, p. 154)*. —**Jonathan Clements**

Annual Fund Survey

The honor roll

Illustrations by Patrick McDonnell

IN 1896 A SPECTACULAR GEYSER burst out in Iceland. For ten days it shot steam, water, dirt and clay 700 feet into the air, then fizzled out. Old Faithful of Yellowstone National Park, though less impressive than Iceland's short-lived wonder, keeps on going year after year, day after day.

And so it is with mutual funds. Some perform spectacularly one year and sink the next: These are investor traps, attracting attention just as the sizzle is turning to fizzle.

FORBES firmly prefers Old Faithful to the Iceland ten-day wonder. For this reason we shun the usual one-, three- and five-year measurements of straight-line fund performance in picking our honor roll. The FORBES honor roll runs funds through a gamut of tests based not on last year's returns but on a 10¼-year series of market cycles, both up and down, ending on June 30, 1987.

A fund has to get a B or better in both bull and bear markets in order to qualify. It is easy enough to do well in up markets only or down markets only. For up-market performance, buy high-risk growth stocks. For down markets, buy low-risk stocks with big dividends. But achieving good results in both kinds of markets takes a special skill; only 40 of the 314 stock funds earned a B or better in both kinds of markets.

One more threshold: To make the honor roll, a fund had to be able to turn a hypothetical $10,000 investment made

Fund/distributor	Performance UP	Performance DOWN	Lead manager (consecutive years as manager)	Net assets 6/30/87 ($mil)	Maximum load	Annual expenses per $100 assets
Acorn Fund/Acorn	B	B	Ralph Wanger (16)	$526	none	$0.79
Amcap Fund/American Funds	B	A	no lead manager	1,894	8.50%	0.51
American Capital Pace/American Capital	B	A+	John Roche (2)	3,001	8.50	0.64
Claremont Capital/Claremont Ad	A	A+	Erik Bergstrom (11)	69	NA	0.98
Evergreen Fund/Lieber	A	B	Steven Lieber (16)	780	none	1.02
Fidelity Destiny Portfolio I/Fidelity	A	A	George Vanderheiden (7)	1,475	NA	0.60
Fidelity Magellan/Fidelity	A+	A	Peter Lynch (10)	10,842	3.00	1.08
Growth Fund of America/American Funds	A	A	no lead manager NA	1,139	8.50	0.66
Mass Capital Development Fund/Mass Financial	A	B	William Harris (17)	1,098	7.25	0.71
New England Growth/New England	A	B	Kenneth Heebner (11)	472	6.50	0.84‡
Nicholas Fund/Nicholas	B	A+	Albert Nicholas (18)	1,294	none	0.86
O-T-C Securities Fund/Review Management	B	A	Binkley Shorts (6)	304	8.00	0.85
Pennsylvania Mutual Fund/Pennsylvania Mutual	B	A	Charles Royce (14)	363	none	0.98
Shearson Appreciation/Shearson Lehman	A	B	Harold Williamson (6)	515	5.00	1.00
Sigma Venture/Sigma Investor	B	B	Richard King (17)	75	8.50	0.96‡
Tudor Fund/Weiss, Peck & Greer	A	B	Melville Straus (14)	213	none	0.99
Twentieth Century Select Investors/Twentieth Century	A+	B	James Stowers (16)	2,975	none	1.01
United Vanguard/Waddell & Reed	B	B	Henry Herrmann (11)	651	8.50	0.98
Value Line Leveraged Growth/Value Line Sec	B	A	Mark Tavel (15)	421	none	0.96

[1]Most funds have lower minimum requirements for IRAs. [2]Lesser of security sales or purchases, divided by average net assets. [3]Value on 6/30/87 of $10,000 invested 9/30/76, after taxes, for hypothetical upper-income investor **(see text for details)**. [4]Monthly contractual plans only, with loads

in 1976 into at least $60,000 by 1987, after income taxes and loads. We applied loads at 1987 rates and taxed distributions as if the investor had $100,000 of gross income in constant 1984 dollars, deductions equal to 20% of income (15% in 1987) and four exemptions.

This method penalizes funds that charge loads and pay out large distributions to shareholders. It favors those that allow appreciation to accumulate unrealized and untaxed, taking the form of an increase in the net asset value per share. In short, the formula imitates real life.

Fidelity Magellan again tops the list in aftertax results, turning a hypothetical $10,000 into $175,470. Twentieth Century Select would have multiplied to $125,495.

Consistently top-notch performance is the only way to get on the honor roll. And consistency is measured by performance but created by people. That's why we list the lead portfolio manager for every fund that has one, along with the length of tenure in that position. You don't want to buy the performance record of someone who has left.

Two honor roll funds, Amcap and Growth Fund of America, don't have lead managers. Their portfolios are parceled out among a committee of managers—whose names are a state secret. (The SEC should do something about this nondisclosure.) But the system seems to work for American Funds. Says spokesman Peter Langer, "That's why we got the results we did." Amcap has made the honor roll nine consecutive years and Growth Fund five—but investors have to ask themselves why it should keep working.

Scudder Development, on last year's list, dropped off this year when its up-market grade dropped to a C. Three more of last year's funds—Janus, Partners and Sigma Capital—fell short of the $60,000 minimum. We welcome back one former honor roll member, Charles Royce's Pennsylvania Mutual Fund, which was left off in 1986 because it was not open to new investors. It reopened in July, with a $25,000 minimum.

The price/earnings ratio column, provided by CDA Investment Technologies, calculates an average ratio for the portfolio weighted by the size of its stock holdings as of Mar. 31, 1987. Almost all the honor roll funds maintain portfolios priced higher than the market multiple, which was then 19.4, but none of them is so high as to cause alarm.

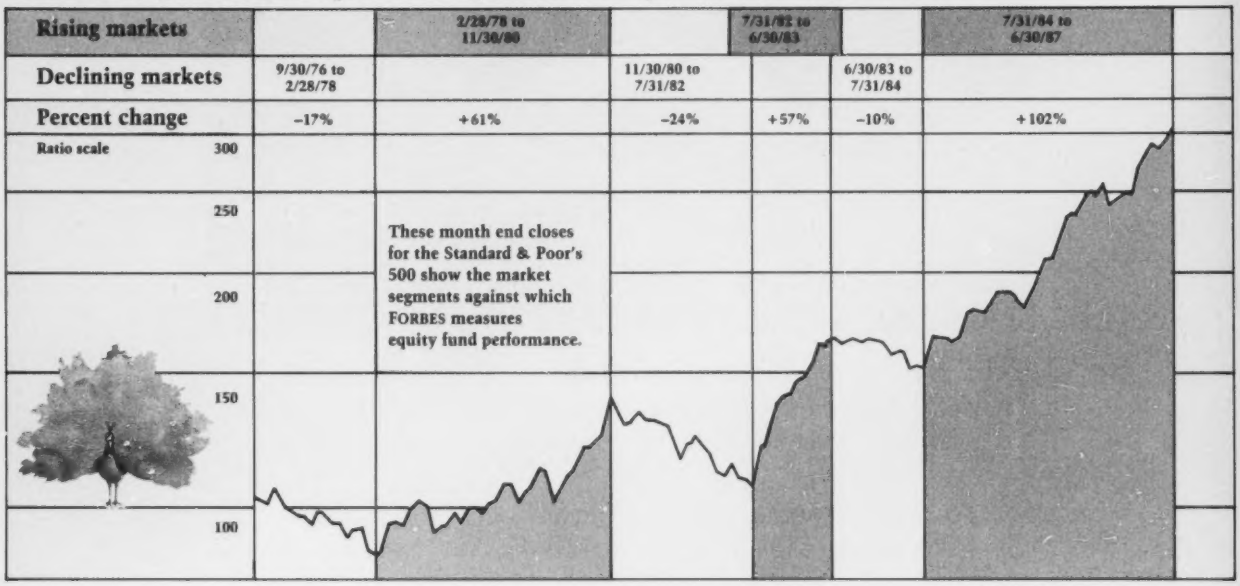
The portfolio turnover column reveals how much the fund managers tend to jump in and out of securities. A high portfolio turnover rate translates into higher costs in commissions and bid/ask spreads. Some heavy-trading managers can overcome these transaction costs, but in most portfolios they are a drag on performance. The average portfolio turnover rate for the group was a fairly modest 65%—meaning its average holding time for a typical stock was about 18 months.—**Ronit Addis**

Minimum initial investment[1]	Weighted average P/E	% of assets in cash	Portfolio turnover[2]	Average annual total return	Hypothetical investment results[3]	Fund (consecutive years on honor roll)
$4,000	25.8	9.1%	40%	21.2%	$63,262	**Acorn Fund** (4)
1,000	27.1	27.5	17	22.5	66,309	**Amcap Fund** (9)
500	24.0	6.3	36	26.9	97,144	**American Capital Pace** (6)
NA	32.1	8.2	44	25.0	96,237	**Claremont Capital** (4)
2,000	18.9	13.2	48	25.8	96,874	**Evergreen Fund** (3)
NA	22.0	5.9	108	23.8	60,469[4]	**Fidelity Destiny Portfolio I** (5)
1,000	21.9	1.5	96	33.8	175,740	**Fidelity Magellan** (6)
1,000	32.8	14.5	24	22.9	73,606	**Growth Fund of America** (5)
250	22.6	2.2	109	23.0	69,255	**Mass Capital Development Fund** (3)
250	34.0	1.0	153	23.9	75,829	**NEL Growth Fund** (3)
500	17.9	29.0	27	23.7	82,269	**Nicholas Fund** (6)
500	24.9	4.0	34	22.2	61,881	**O-T-C Securities Fund** (6)
25,000	20.7	24.9	19	21.9	60,393	**Pennsylvania Mutual Fund**
500	22.6	16.5	30	20.6	64,755	**Shearson Appreciation** (2)
none	26.9	3.2	10	21.3	66,410	**Sigma Venture** (3)
1,000	33.6	1.2	128	22.6	69,255	**Tudor Fund** (2)
none	28.3	0.6	112	28.4	125,495	**Twentieth Century Select Investors** (8)
500	33.2	18.9	126	21.9	60,786	**United Vanguard** (3)
1,000	25.4	0.9	73	23.4	76,632	**Value Line Leveraged Growth** (2)

varying with frequency of payments, and spread over contract life. Hypothetical investment result assumes 10.77% load imposed at initiation. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. NA: Not applicable.

Stock funds

This list includes closed-end funds, gold funds and funds that invest abroad. To be rated, a fund must have been in existence for at least two market cycles; that is, since Nov. 30, 1980. To obtain more information about a particular fund, first find its distributor, which is listed next to the fund's name in this table. Then use the table beginning on page 268 to contact the distributor. Closed-end funds, with shares that trade in the open market, have no distributor.



Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
B	D	ABT Growth & Income Trust/MGF	15.4%	27.9%	3.0%	$140	14%	4.75%	$1.40‡
		ABT Investment-Emerging Growth/MGF	—*	3.9	none	49	29	4.75	1.61‡
		ABT Investment-Security Income/MGF	—*	16.8	1.3	17	–10	4.75	2.02‡
• D	• B	ABT Utility Income Fund/MGF	—*	4.9	6.5	133	22	4.75	1.40‡
B	B	Acorn Fund/Acorn Fund	21.2	16.6	0.6	526	24	none	0.79
		Adam Investors/Conway, Luongo	—*	9.8	6.0	11	–21	none	2.13
D	B	Adams Express/closed end	15.6	14.4	2.6	555	6	NA	0.53
		ADTEK Fund/Adtek	—*	18.9	1.7	40	34	none	1.70
		Advantage Growth Fund/Advest	—*	16.3	0.2	30	120	4.00r	2.40‡
B	C	Affiliated Fund/Lord Abbett	16.6	25.0	4.2	4,004	28	7.25	0.32
D	C	Afuture Fund/Afuture	12.8	–10.4	none	14	–45	none	1.40

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Stock funds rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. r: Includes back end load that reverts to distributor. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
		Alger Fund-Growth/Alger	—*	—*	—*	$6	—	5.00%r	$3.00‡
		Alliance Convertible Fund/Alliance	—*	9.5%	5.4%	112	129%	5.50	1.50p‡
		Alliance Counterpoint Fund/Alliance	—*	16.7	1.4	53	40	5.50	1.66‡
D	C	Alliance Dividend Shares/Alliance	14.3%	16.1	3.0	404	8	5.50	0.77‡
C	D	Alliance Fund[1]/Alliance	12.8	17.9	1.3	948	22	5.50	0.61‡
D	D	Alliance Global Fund-Canadian Fund[2]/Alliance	11.4	22.4	1.3	27	10	5.50	1.28‡
		Alliance Global Fund-World Equities[3]/Alliance	—*	16.0	0.3	12	258	5.50	1.94p‡
		Alliance International Fund/Alliance	—*	23.1	0.1	195	40	5.50	1.14‡
		Alliance Technology Fund/Alliance	—*	37.9	none	201	31	5.50	1.13‡
C	B	Alpha Fund/Commodore	16.7	15.8	0.7	33	16	8.50	1.50
D	C	AMA Growth Fund-Classic Growth/AMA Advisers	13.9	10.4	1.1	47	41	none	1.47‡
		AMA Growth Fund-Global Growth/AMA Advisers	—*	—*	—*	136	—	none	1.26‡
		AMA Growth Fund-Gro plus Inc/AMA Advisers	—*	—*	—*	16	—	none	1.76‡
B	A	Amcap Fund/American Funds	22.5	25.0	1.6	1,894	26	8.50	0.51
C	A+	American Capital Comstock Fund/American Cap	22.4	26.4	2.1	1,167	17	8.50	0.60
A	D	American Capital Enterprise Fund/American Cap	18.9	14.4	1.4	719	0	8.50	0.60
		American Capital Exchange Fund/‡‡	—*	22.4	1.9	53	5	none	0.71
		American Capital OTC Securities/American Cap	—*	–5.7	0.2	93	–28	8.50	1.16
B	A+	American Capital Pace Fund/American Cap	26.9	26.3	2.3	3,001	35	8.50	0.64
D	A	American Capital Venture Fund/American Cap	22.6	8.4	1.2	333	–20	8.50	0.80
D	A	American Growth Fund/American Growth	16.9	15.1	3.1	78	9	8.50	1.30
C	D	American Investors Growth Fd[4]/American Invest	7.4	6.6	none	72	–12	none	1.77‡
D	B	American Leaders Fund/Federated	15.2	19.7	3.1	181	56	4.50	1.00p‡
D	A	American Mutual Fund/American Funds	18.3	16.2	3.7	2,696	37	8.50	0.45
B	B	American National Growth Fund/Securities Mgmt	18.8	24.1	1.0	117	15	8.50	0.96
D	A	American National Income Fund/Securities Mgmt	15.4	16.3	3.0	82	31	8.50	1.00
		American Pension Investors Trust/Amer Pension	—*	12.6	0.3	22	265	none	2.41‡
		American Telecommunications-Growth/‡‡	—*	13.6	2.0	44	–4	3.00b	1.08
		American Telecommunications-Income/‡‡	—*	4.3	5.4	92	–12	3.00b	0.96
A	C	AMEV Capital Fund/AMEV Investors	20.1	12.8	0.6	145	38	8.50	1.06
		AMEV Fiduciary Fund/AMEV Investors	—*	10.8	0.1	36	128	4.00	1.50p
A+	C	AMEV Growth Fund/AMEV Investors	24.4	15.7	0.2	256	57	8.50	1.00
• F	• A	Analytic Optioned Equity Fund/Analytic Option	—*	15.2	4.4	86	2	none	1.18
C	D	Armstrong Associates/Armstrong	15.2	19.7	1.7	12	5	none	1.60
A+	C	ASA Limited/closed end	25.6	101.6	3.4	846	94	NA	0.31
		Asia Pacific Fund/closed end	—*	—*	—*	85	—	NA	NA
		Associated Planners Stock Fund/AIM	—*	19.2	0.2	10	106	4.75	2.18p

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Stock funds rated only if in operation since 11/30/80. • Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. ‡‡Exchange fund, not currently selling new shares. p: Net of partial absorption of expenses by fund sponsor. b: Includes back end load that reverts to fund. r: Includes back end load that reverts to distributor. NA: Not applicable or not available. [1]Formerly Chemical Fund. [2]Formerly Canadian Fund. [3]Formerly Alliance Global Fund. [4]Formerly American Investors Fund.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		Forbes stock fund composite	16.9%	19.8%	1.7%				
A	F	Axe-Houghton Stock Fund/Axe Securities	14.3%	22.6%	none	$93	–14%	none	$1.28‡
		Babson Enterprise Fund/Jones & Babson	—*	10.3	0.4%	56	–9	none	1.37
C	D	Babson Growth Fund/Jones & Babson	12.8	26.1	0.9	289	14	none	0.75
		Babson Value Fund/Jones & Babson	—*	29.9	3.0	15	178	none	1.20
• A	• C	Bailard, Biehl & Kaiser International/Bailard	—*	23.4	none	109	–22	none	0.92
		Baird Capital Development Fund/Baird	—*	–1.6	0.3	22	NM	3.50%	2.10‡
C	B	Baker, Fentress & Co/closed end	17.8	7.1	2.2	469	3	NA	0.53
		Bankers Systems Granit-Gro Stk/Bankers System	—*	23.3	none	11	276	none	3.00‡
		Bartlett Capital Trust-Basic Value/Bartlett	—*	12.0	3.9	99	53	none	1.28
		Bascom Hill Investors/Madison	—*	12.9	6.8	9	30	none	1.09
D	B	Beacon Hill Mutual Fund/Beacon Hill	13.1	12.3	none	4	–3	none	3.80
		Bench Portfolios-Blue Chip/Bench	—*	25.7	0.2	15	NM	2.00	1.77p
		Berwyn Fund/Berwyn Fund	—*	34.7	0.7	9	58	1.00b	1.66
		Blue Chip Value Fund/closed end	—*	—*	—*	88	—	NA	NA
B	C	Boston Co Capital Appreciation Fund/Boston Co	15.3	18.4	3.3	567	20	none	0.95‡
		Boston Co Special Growth Fund/Boston Co	—*	2.4	1.6	45	–33	none	1.32‡
D	C	Boston Mutual Fund/Boston Mutual	11.8	16.7	1.6	7	0	††	1.24
		Brandywine Fund/Brandywine	—*	23.7	0.2	99	144	none	1.30
D	C	Bridges Investment Fund/Bridges	—*	16.6	3.7	9	48	1.00b	0.97
B	D	Bull & Bear Capital Growth Fund/Bull & Bear	16.3	5.8	none	94	4	none	2.25‡
D	A	Bull & Bear Equity-Income Fund/Bull & Bear	14.3	12.7	2.8	19	123	none	3.00‡
		Calamos Convertible Income[1]/Calamos	—*	8.4	4.5	26	103	none	1.30
		Calvert Fund-Equity/Calvert	—*	13.1	0.7	11	22	none	1.83‡
		Calvert Fund-Washington Area Growth/Calvert	—*	8.9	none	23	39	6.00r	2.25p‡
		Capital Exchange Fund/‡‡	16.5	33.1	1.4	88	20	none	0.76
C	B	Cardinal Fund/Ohio Co	18.3	14.2	2.5	131	61	8.50	0.89
		Carnegie-Cappiello Trust-Growth/Carnegie	—*	7.3	1.0	57	13	4.50	1.42‡
		Carnegie-Cappiello Trust-Total Return/Carnegie	—*	10.8	3.7	91	111	4.50	1.65‡
		Cashman Farrell Value Fund/Tenneco	—*	25.0	2.6	8	43	7.50	1.63
B	D	Central Securities/closed end	17.0	23.7	2.0	137	15	NA	0.84
D	A	Century Shares Trust/Century Shares	15.5	–2.7	2.6	144	–12	none	0.77
B	B	Charter Fund/AIM	20.7	21.1	1.7	99	11	4.75	1.21‡
		Chestnut Street Exchange Fund/‡‡	—*	22.7	1.7	158	–1	none	0.58
		Cigna Aggressive Growth Fund/Cigna	—*	1.9	0.1	22	8	5.00	1.19p‡
C	D	Cigna Growth Fund/Cigna	14.6	19.4	1.6	264	12	5.00	0.85‡
		Cigna Value Fund/Cigna	—*	18.3	2.5	63	42	5.00	1.04p‡
A	A+	Claremont Capital/closed end	25.0	25.0	3.7	69	14	NA	0.98

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Stock funds rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. ††Closed to new investors. ‡‡Exchange fund, not currently selling new shares. p: Net of partial absorption of expenses by fund sponsor. b: Includes back end load that reverts to fund. r: Includes back end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful. [1]Formerly Noddings Calamos Convertible-Income.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
		Clemente Global Growth Fund/closed end	—•	—•	—•	$55	NM	NA	NA
		Colonial Equity Income Trust/Colonial	—•	12.8%	3.4%	17	57%	6.75%	$1.50p‡
B	D	Colonial Growth Shares Trust/Colonial	15.1%	19.7	0.9	98	15	6.75	1.34‡
		Colonial International Equity Index/Colonial	—•	—•	—•	9	—	4.75	1.65p‡
		Colonial Small Stock Index Trust/Colonial	—•	—•	0.1	38	—	4.75	1.35p‡
F	• C	Colonial Strategic Income-Diversified[1]/Colonial	—•	17.7	1.4	1,046	–17	6.75	0.99‡
		Colonial Strategic Income-Income Plus[2]/Colonial	—•	13.6	2.5	203	–5	6.75	1.04‡
		Colonial US Equity Index Trust/Colonial	—•	—•	0.3	36	—	4.75	1.25p‡
A	C	Columbia Growth Fund/Columbia	19.4	15.4	0.9	250	–14	none	1.00‡
		Columbia Special Fund/Columbia	—•	13.6	none	32	28	none	1.54‡
		Common Sense Trust-Growth/American Cap	—•	—•	—•	71	—	8.50	NA
		Common Sense Trust-Gro & Inc/American Cap	—•	—•	—•	26	—	8.50	NA
D	B	Commonwealth Indenture A & B/Trusteed	13.8	12.5	5.2	11	0	7.50	0.19
F	B	Commonwealth Indenture C/Trusteed	12.1	10.9	4.7	43	0	7.50	0.75
C	B	Composite Growth Fund/Murphey Favre	17.3	13.6	3.6	79	13	4.00	1.72‡
		Composite Select-Northwest/Murphey Favre	—•	—•	—•	6	—	4.00	NA
		Composite Select-Value/Murphey Favre	—•	—•	—•	8	—	4.00	NA
		Connecticut Mutual-Growth/Conn Mutual	—•	17.4	1.8	26	39	6.25	1.23
		Connecticut Mutual-Total Return/Conn Mutual	—•	13.4	2.6	50	81	6.25	1.14
A+	F	Constellation Growth Fund/AIM	21.9	26.9	none	149	–2	4.75	1.10
		Continental Equity Plus Fund/Continental	—•	22.1	1.3	12	436	6.50r	2.28‡
		Continental Option Inc Plus II Fd/Continental	—•	16.4	1.8	12	NM	4.00r	2.27‡
		Convertible Holdings-Capital[3, 4]/ML PF&S Convertible Holdings-Income[3, 5]/ML PF&S	—•	5.1	6.0	294	–1	NA	0.73
		Copley Fund[6]/Copley	—•	5.4	none	31	11	none	1.43
C	C	Corp Leaders Tr Fund Certificates Ser B/Lexington	16.4	28.8	3.6	89	17	†	0.08
		Counsellors Tandem Fund/closed end	—•	—•	—•	87	—	NA	1.17
C	D	Country Capital Growth Fund/Country Capital	13.0	14.8	2.0	79	5	7.50	0.94
		Cowen Income + Growth Fund/Cowen	—•	—•	—•	30	—	5.00r	NA
		Criterion Global Growth Fund/Criterion	—•	—•	—•	11	—	4.75	NA
		Criterion Special-Lowry Market Timing/Criterion	—•	1.7	3.4	36	–62	4.75	1.46p‡
		Criterion Sunbelt Growth Fund/Criterion	—•	19.2	0.1	71	–24	8.50	1.54‡
		Cypress Fund/closed end	—•	—•	—•	100	—	NA	NA
• C	• C	Dean Witter American Value Fund[7]/Dean Witter	—•	12.7	1.6	125	63	5.00r	1.39‡
		Dean Witter Convertible Secs/Dean Witter	—•	11.9	6.4	1,900	42	5.00r	1.62‡
		Dean Witter Developing Growth Secs/Dean Witter	—•	2.5	0.1	168	–11	5.00r	1.85‡
		Dean Witter Dividend Growth Secs/Dean Witter	—•	17.1	2.5	2,049	89	5.00r	1.52‡

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
		Dean Witter Natural Resource Dev/Dean Witter	—*	44.7%	1.3%	$179	366%	5.00%r	$1.74‡
		Dean Witter Option Income Trust/Dean Witter	—*	7.3	1.5	545	–8	5.00r	1.90‡
		Dean Witter World Wide Investment/Dean Witter	—*	22.6	—*	495	52	5.00r	2.10‡
C	A	Decatur Fund-Series I[1]/Delaware	17.8%	27.1	4.0	1,636	53	8.50	0.63
		Decatur Fund-Series II/Delaware	—*	—*	0.7	134	—	4.75	0.96p‡
C	B	Delaware Fund/Delaware	16.8	14.7	2.0	434	2	8.50	0.69
		DelCap Fund-Concept I/Delaware	—*	47.8	none	91	NM	4.75	1.21p‡
C	B	Delta Trend Fund/Delaware	17.4	2.4	none	79	–28	8.50	1.20
		Depositors Fund of Boston/‡‡	—*	22.2	1.5	66	3	none	0.77
		Depositors Investment-Capital Growth/Putnam	—*	14.6	0.8	15	21	none	1.71‡
		Depositors Invest-OTC Emerging Gro/Putnam	—*	12.8	none	150	225	6.00	1.46‡
		Diversification Fund/‡‡	—*	25.8	1.3	73	7	none	0.77
		Dividend/Growth-Dividend/Amer Investment	—*	11.5	2.0	5	4	none	2.00p‡
B	C	Dodge & Cox Stock Fund/Dodge & Cox	17.8	29.9	2.2	71	54	none	0.66
		Dover Regional Financial Shares/closed end	—*	—*	—*	7	—	NA	1.90
C	C	Drexel Burnham Fund/Drexel	16.2	17.6	3.4	231	66	3.50	1.00
		Drexel Series-Convertible Secs/Drexel	—*	5.1	2.9	40	9	5.00r	1.88‡
		Drexel Series-Emerging Growth/Drexel	—*	–10.3	none	34	–24	5.00r	2.35‡
		Drexel Series-Growth/Drexel	—*	21.8	1.7	42	87	5.00r	2.28‡
		Drexel Series-Option Income/Drexel	—*	13.1	1.3	46	28	5.00r	2.26‡
		Dreyfus Capital Value Fund/Dreyfus	—*	10.5	0.3	30	173	4.50	1.47p‡
D	B	Dreyfus Fund/Dreyfus	16.3	19.0	3.5	2,690	1	8.50[2]	0.74
		Dreyfus General Aggressive Growth/Dreyfus	—*	9.1	0.4	49	86	none	1.50p‡
A	C	Dreyfus Growth Opportunity Fund/Dreyfus	18.4	24.5	1.5	553	9	none	0.95
B	B	Dreyfus Leverage Fund/Dreyfus	18.9	25.1	2.6	588	11	8.50	0.91
		Dreyfus New Leaders Fund/Dreyfus	—*	5.3	0.3	118	48	none	1.30p‡
		Dreyfus Strategic Aggressive Investing/Dreyfus	—*	—*	—*	8	—	3.00	NA
		Dreyfus Strategic Investing/Dreyfus	—*	—*	—*	114	—	3.00	NA
B	C	Dreyfus Third Century Fund/Dreyfus	17.1	18.9	3.9	176	0	none	0.99
D	B	Eagle Growth Shares/Fahnestock	11.1	–5.7	0.1	3	–31	8.50	2.26
D	C	Eaton & Howard Stock Fund/Eaton Vance	13.3	14.2	3.5	88	2	7.25	0.86
B	B	Eaton Vance Growth Fund/Eaton Vance	18.2	21.4	1.3	101	18	4.75	0.92
D	B	Eaton Vance Special Equities Fund/Eaton Vance	15.7	–2.4	none	41	–19	7.25	0.99
		Eaton Vance Total Return Trust/Eaton Vance	—*	7.9	5.6	700	23	4.75	0.94‡
		Eclipse Equity Fund/Eclipse	—*	—*	—*	152	—	none	0.92
		Ellsworth Convertible Gro & Inc/closed end	—*	10.4	4.3	57	9	NA	1.30
		Emerging Medical Technology Fund/closed end	—*	–5.6	none	13	–6	NA	2.14

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Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
C	C	Energy Fund/Neuberger	16.0%	28.0%	3.9%	$473	23%	none	$0.88
A	D	Engex/closed end	23.2	-17.0	none	23	10	NA	NA
		Equitec Siebel Aggressive Growth Fund/Equitec	—*	10.9	5.8	44	616	5.00%r	2.37‡
		Equitec Siebel Total Return Fund/Equitec	—*	8.1	2.2	140	131	5.00r	2.24‡
		Equity Guard Stock Fund/closed end	—*	—*	—*	22	—	NA	NA
		Equity Strategies Fund/EQSF Advisors	—*	29.1	none	60	581	÷	3.69
		EuroPacific Growth Fund/American Funds	—*	34.9	0.8	245	87	8.50	1.27‡
A	B	Evergreen Fund/Lieber	25.8	7.8	0.9	780	9	none	1.02p
• C	• A	Evergreen Total Return Fund/Lieber	—*	7.1	5.8	1,730	204	none	1.02
		Evergreen Value Timing Fund/Lieber	—*	—*	—*	23	—	none	NA
		Exchange Fund of Boston/‡‡	15.9	17.3	1.4	72	6	none	0.78
A	F	Fairfield Fund/National Secs	14.7	9.9	0.9	53	-8	8.50	1.24
		Fairmont Fund/Fairmont	—*	11.1	0.5	110	44	none	1.26p
D	C	Farm Bureau Growth Fund/FBL Investment	11.9	5.7	2.5	57	20	none	1.08‡
		Federated Exchange Fund/‡‡	—*	19.2	2.1	113	-7	none	0.94
		Federated Growth Trust/Federated	—*	18.3	1.4	144	167	none	1.00p
		Federated High Quality Stock Fund/Federated	—*	21.2	1.3	34	NM	1.75r	0.97p‡
		Federated Stock Trust/Federated	—*	22.0	2.5	750	67	none	0.93
		Federated Utility Trust/Federated	—*	—*	—*	7	—	none	0.53
		Fenimore International Fund/Drexel	—*	35.8	none	96	73	5.00r	2.20‡
		Fidelity Capital Appreciation/Fidelity	—*	—*	—*	1,114	—	3.00r	1.10p
		Fidelity Congress Street Fund/‡‡	17.8	23.4	2.0	66	13	none	0.67
B	D	Fidelity Contrafund/Fidelity	13.8	26.5	0.9	139	49	none	0.88
		Fidelity Convertible Securities Fund/Fidelity	—*	—*	—*	46	—	none	NA
A	A	Fidelity Destiny Portfolio I/Fidelity	23.8	21.4	2.0	1,475	26	**	0.60
		Fidelity Destiny Portfolio II/Fidelity	—*	29.3	1.4	37	709	**	1.50p
C	A	Fidelity Equity-Income Fund/Fidelity	21.0	16.9	5.6	4,179	35	2.00	0.65
		Fidelity Europe Fund/Fidelity	—*	—*	—*	201	—	3.00r	1.23p
		Fidelity Exchange Fund/‡‡	—*	22.1	2.1	176	6	none	0.60
		Fidelity Freedom Fund/Fidelity	—*	23.6	0.8	1,362	44	none	0.91‡
C	C	Fidelity Fund/Fidelity	16.5	19.0	3.4	1,111	27	none	0.60‡
		Fidelity Growth & Income/Fidelity	—*	22.3	1.5	1,496	460	2.00	1.21p
		Fidelity Growth Company Fund/Fidelity	—*	6.6	none	179	-20	3.00	1.11
		Fidelity International Growth & Income/Fidelity	—*	—*	—*	53	—	2.00r	NA
A+	A	Fidelity Magellan Fund/Fidelity	33.8	19.9	0.7	10,842	46	3.00	1.08
		Fidelity OTC Portfolio/Fidelity	—*	10.2	0.1	1,199	27	3.00	1.31
		Fidelity Overseas Fund/Fidelity	—*	48.9	none	2,313	27	3.00	1.70

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
		Fidelity Pacific Basin Fund/Fidelity	—*	—*	—*	$317	—	$3.00r	$1.50p
		Fidelity Plymouth-Income & Growth/Fidelity	—*	—*	—*	29	—	4.00	2.15p‡
D	A	Fidelity Puritan Fund/Fidelity	16.9%	17.6%	6.3%	4,645	112	none	0.63
		Fidelity Real Estate Investment/Fidelity	—*	—*	—*	104	—	2.00	1.50p
		Fidelity Select-Air Transportation/Fidelity	—*	25.8	none	20	NM	3.00r	1.58p
		Fidelity Select-American Gold/Fidelity	—*	67.5	none	246	NM	3.00r	1.21
		Fidelity Select-Automotive/Fidelity	—*	—*	—*	5	—	3.00r	1.63p
		Fidelity Select-Biotechnology/Fidelity	—*	–2.8	none	69	20	3.00r	1.38
		Fidelity Select-Broadcast & Media/Fidelity	—*	—*	—*	35	NM	3.00r	1.50p
		Fidelity Select-Brokerage & Investment/Fidelity	—*	–8.2	0.1	11	–59	3.00r	1.67
		Fidelity Select-Chemicals/Fidelity	—*	33.2	none	147	246	3.00r	1.52p
		Fidelity Select-Computers/Fidelity	—*	26.0	none	47	333	3.00r	1.58
		Fidelity Select-Defense & Aerospace/Fidelity	—*	–4.2	0.2	4	–62	3.00r	1.54
		Fidelity Select-Electric Utilities/Fidelity	—*	—*	—*	7	—	3.00r	1.53p
		Fidelity Select-Electronics/Fidelity	—*	2.4	none	10	248	3.00r	1.61p
		Fidelity Select-Energy/Fidelity	—*	40.7	none	146	230	3.00r	1.50
		Fidelity Select-Energy Service/Fidelity	—*	40.3	none	189	NM	3.00r	1.50p
		Fidelity Select-Financial Services/Fidelity	—*	–7.8	0.6	60	–71	3.00r	1.57
		Fidelity Select-Food & Agriculture/Fidelity	—*	19.5	none	19	–50	3.00r	1.67
		Fidelity Select-Health Care/Fidelity	—*	15.3	none	400	–2	3.00r	1.39
		Fidelity Select-Industrial Materials/Fidelity	—*	—*	—*	40	—	3.00r	1.56p
		Fidelity Select-Leisure/Fidelity	—*	10.0	0.0	162	–53	3.00r	1.55
		Fidelity Select-Medical Delivery/Fidelity	—*	—*	—*	10	—	3.00r	1.49p
		Fidelity Select-Paper & Forest Products/Fidelity	—*	—*	—*	57	—	3.00r	1.29p
		Fidelity Select-Prec Metals & Minerals/Fidelity	—*	96.3	0.6	402	291	3.00r	1.50
		Fidelity Select-Property & Casualty/Fidelity	—*	–8.8	none	9	24	3.00r	1.63
		Fidelity Select-Retailing/Fidelity	—*	8.4	none	41	7	3.00r	1.54
		Fidelity Select-Savings & Loan/Fidelity	—*	–2.5	none	24	–53	3.00r	1.53
		Fidelity Select-Software & Computer/Fidelity	—*	24.1	none	58	226	3.00r	1.51
		Fidelity Select-Technology/Fidelity	—*	14.2	none	254	6	3.00r	1.44
		Fidelity Select-Telecommunications/Fidelity	—*	28.7	none	28	353	3.00r	1.52
		Fidelity Select-Utilities/Fidelity	—*	–0.9	0.8	103	–8	3.00r	1.45
		Fidelity Special Situations-Initial/Fidelity	—*	13.7	0.5	30	–23	††	1.28p‡
		Fidelity Special Situations-Plymouth/Fidelity	—*	—*	—*	250	—	4.00	1.66p‡
C	D	Fidelity Trend Fund/Fidelity	14.0	13.7	1.3	815	–2	none	0.52
• B	• C	Fidelity Value Fund/Fidelity	—*	10.8	0.6	126	–8	none	1.07
		Fiduciary Capital Growth Fund/Fiduciary	—*	–6.2	4.6	54	–17	none	1.20

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Stock funds rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. ††Closed to new investors. p: Net of partial absorption of expenses by fund sponsor. b: Includes back end load that reverts to fund. r: Includes back end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
		Fiduciary Exchange Fund/‡‡	—*	25.8%	1.2%	$62	9%	none	$0.78
C	B	Financial Dynamics Fund/Financial Prog	16.7%	19.2	0.3	98	11	none	0.92
		Financial Independence-Growth Fund/MGF	—*	17.5	none	28	114	4.75%	1.78p‡
C	C	Financial Industrial Fund/Financial Prog	16.1	17.2	1.6	449	8	none	0.77
D	A	Financial Industrial Income Fund[1]/Financial Prog	17.0	14.4	4.1	451	32	none	0.74
		Financial Strategic-Energy/Financial Prog	—*	54.8	1.1	20	NM	none	1.50p
		Financial Strategic-Gold/Financial Prog	—*	103.2	1.0	43	NM	none	1.15
		Financial Strategic-Health Sciences/Financial Prog	—*	20.7	none	19	203	none	1.43
		Financial Strategic-Leisure/Financial Prog	—*	4.0	none	7	4	none	1.50p
		Financial Strategic-Pacific Basin/Financial Prog	—*	69.1	0.2	60	NM	none	1.17
		Financial Strategic-Technology/Financial Prog	—*	40.5	none	32	NM	none	1.09
		Financial Strategic-Utilities/Financial Prog	—*	8.9	1.7	17	760	none	1.33
		First Financial Fund/closed end	—*	–0.1	1.8	83	–6	NA	1.37
D	C	First Investors Discovery Fund/First Investors	11.6	4.6	none	35	–18	8.50	1.30‡
C	F	First Investors Fund for Growth/First Investors	9.8	9.3	none	60	–9	8.50	1.07‡
		First Investors International Securities/First Inv	—*	69.6	0.9	69	NM	8.50	1.75p‡
F	D	First Investors Natural Resources/First Investors	–0.2	59.1	0.8	26	208	8.50	1.70‡
F	A	First Investors Option Fund/First Investors	10.8	19.0	1.7	225	9	7.25	1.01‡
		First Investors Value Fund/First Investors	—*	4.4	3.5	7	–43	8.50	2.24
		Flag Investors Corporate Cash Trust/Brown & Sons	—*	—*	—*	57	—	none	1.30p‡
		Flag Investors International Trust/Brown & Sons	—*	—*	—*	36	—	4.50	1.21p‡
		Flag Investors Telephone Income Trust/‡‡	—*	5.9	6.0	103	0	1.00b†	0.87‡
		Flex-funds-Growth Fund/Flex	—*	5.1	0.4	14	54	none	1.49‡
		Flex-funds-Income & Growth Fund/Flex	—*	–0.4	6.7	5	43	none	1.01p‡
		Flex-funds-Retirement Growth/Flex	—*	10.0	0.5	93	48	none	1.44‡
• B	• D	44 Wall Street Equity Fund/44 Securities	—*	12.3	none	12	–6	1.00	2.41
A	C	44 Wall Street Fund/44 Securities	2.8	–9.5	none	19	–44	0.25r	3.26
F	A	Founders Equity Income Fund/Founders	13.9	18.1	4.6	15	27	none	1.59‡
A	D	Founders Growth Fund/Founders	17.7	18.0	1.0	92	33	none	1.27‡
C	D	Founders Mutual Fund/Founders	13.0	14.9	3.0	228	13	none	0.74‡
A	C	Founders Special Fund/Founders	18.9	16.2	0.8	87	–10	none	1.06
D	D	FPA Capital Fund/Angeles Secs	12.2	20.2	2.2	59	12	8.00	0.89
D	A	FPA Paramount Fund/Angeles Secs	18.5	34.2	2.2	135	5	6.50	1.06
		FPA Perennial Fund/Angeles Secs	—*	13.2	3.2	65	15	6.50	1.11
		France Fund/closed end	—*	39.9	0.1	111	29	NA	1.93
B	D	Franklin Dynatech Fund/Franklin	15.9	12.8	0.5	46	6	4.00	0.89
B	C	Franklin Equity Fund/Franklin	17.8	19.0	1.0	299	85	4.00	0.82

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
A	C	Franklin Gold Fund/Franklin	27.5%	112.7%	2.2%	$274	194%	4.00%	$1.01
C	C	Franklin Growth Fund/Franklin	13.9	25.9	1.5	87	96	4.00	0.79
D	B	Franklin Option Fund/Franklin	14.2	10.9	2.0	41	113	4.00	0.95
D	A+	Franklin Utilities Fund/Franklin	14.5	5.1	7.1	651	247	4.00	0.62
		Freedom Equity Value Fund/Tucker Anthony	—*	—*	—*	16	—	3.00r	NA
		Freedom Invest-Gold & Govt/Tucker Anthony	—*	9.6	6.3	81	94	3.00r	1.68‡
		Freedom Invest II-Global Fund/Tucker Anthony	—*	—*	—*	65	—	3.00r	2.38‡
		Freedom Invest-Regional Bank/Tucker Anthony	—*	4.8	1.6	52	–17	3.00r	1.48‡
		FT International/Federated	—*	30.8	0.2	119	33	none	1.00p
C	B	Fund of America/American Cap	18.7	30.8	1.7	193	19	8.50	0.72
B	C	Fund of the Southwest/Tenneco	16.8	0.8	none	16	–4	7.50	1.49
C	B	Fundamental Investors/American Funds	16.3	27.0	2.3	691	30	8.50	0.62
		FundTrust-Aggressive Growth/Furman Selz	—*	12.8	0.1	47	119	none	1.16‡
		FundTrust-Growth/Furman Selz	—*	15.1	0.9	44	117	none	1.27‡
		Gabelli Asset Fund/Reich & Tang	—*	29.1	0.7	86	248	2.00b	1.67‡
		Gabelli Equity Trust/closed end	—*	—*	—*	511	—	NA	1.24
		GAM Global Fund/Advanced Info	—*	14.4*	none	27	172	none	2.72
		GAM International Fund/Advanced Info	—*	48.6	0.7	34	45.5	none	2.05‡p
F	• B	Gateway Option Income Fund/Gateway	—*	13.3	2.5	48	26	none	1.49
A	C	General American Investors/closed end	19.3	13.2	1.5	389	8	NA	1.09
D	C	General Securities/Craig-Hallum	13.8	6.2	4.9	17	0	none	1.45
		Gintel Capital Appreciation Fund/Gintel	—*	11.8	1.1	25	19	none	2.10‡
		Gintel ERISA Fund/Gintel	—*	16.8	3.1	103	17	none	1.20‡
		Gintel Fund/Gintel	—*	10.9	2.5	121	–9	none	1.30‡
		GIT Equity Trust-Special Growth/GIT	—*	2.4	0.8	19	4	none	1.50‡
		Global Growth & Income-Growth[1]/First Boston	—*	—*	—*	99	—	NA	1.10
		Global Growth & Income-Income[1]/First Boston							
		Global Yield Fund/closed end	—*	—*	—*	777	—	NA	1.01
• D	• D	Golconda Investors/Bull & Bear	—*	88.6	0.2	62	200	none	2.50‡
		Gradison Established Growth Fund/Gradison	—*	26.5	2.0	58	77	none	1.61‡
		Gradison Opportunity Growth Fund/Gradison	—*	–0.8	0.8	20	18	none	1.73‡
		Greenspring Fund/Greenspring	—*	20.2	4.9	18	26	none	1.46
B	• D	Greenway Fund/AIM	—*	16.1	1.0	20	–3	4.75	1.78‡
A	A	Growth Fund of America/American Funds	22.9	18.7	1.4	1,139	37	8.50	0.66
		Growth Fund of Washington/Washington	—*	7.1	1.3	58	6	5.00	1.80‡
B	C	Growth Industry Shares/Growth Industry	16.7	10.4	1.4	82	–2	none	0.90
		Growth Stock Outlook Trust/closed end	—*	6.4	3.0	140	2	NA	1.14

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
		GT Global Europe/GT Global	—*	48.9%	none	$18	173%	4.75%	$2.00‡
		GT Global International/GT Global	—*	38.2	none	24	456	4.75	1.90p‡
		GT Global Japan/GT Global	—*	39.1	none	7	118	4.75	2.20p‡
• A	• B	GT Global Pacific/GT Global	—*	40.7	none	60	22	4.75	1.40‡
B	B	Guardian Mutual Fund/Neuberger	18.0%	16.7	3.3%	596	7	none	0.73
B	A	Guardian Park Ave Fund/Guardian	20.4	11.8	2.7	179	35	8.50	0.71
		John Hancock Global Trust/Hancock	—*	23.7	0.0	158	199	8.50	1.50
A	F	John Hancock Growth Trust/Hancock	14.9	9.4	0.6	119	20	8.50	1.03
		John Hancock Special Equities Trust/Hancock	—*	–2.8	none	17	22	8.50	1.50
		H&Q Healthcare Investors/closed end	—*	—*	—*	52	—	NA	1.50
A+	D	Hartwell Growth Fund/Hartwell	21.8	41.4	none	26	136	none	2.90
A+	D	Hartwell Leverage Fund/Hartwell	20.2	30.1	none	46	0	none	1.70
		Heartland Value Fund/Milwaukee Co	—*	12.4	2.6	37	43	4.50	1.70‡
		Heritage Capital Appreciation/James & Assoc	—*	10.0	0.4	53	45	3.00	2.00p‡
		Wayne Hummer Growth Fund/Hummer	—*	14.1*	1.5	21	69	none	1.50p‡
		Hutton Investment-Basic Value/Hutton	—*	14.9	2.0	527	76	5.00r	1.47‡
		Hutton Investment-Growth/Hutton	—*	12.5	1.4	1,662	37	5.00r	1.61‡
		Hutton Investment-Option Income/Hutton	—*	19.2	none	62	–28	5.00r	2.64‡
		Hutton Investment-Precious Metals/Hutton	—*	109.3	0.9	129	397	5.00r	2.53‡
		Hutton Investment-Special Equities/Hutton	—*	4.2	none	266	0	5.00r	2.12‡
		IAI Apollo/IAI Funds	—*	26.4	1.3	25	4	none	1.00
		IAI International Fund/IAI Funds	—*	—*	—*	12	—	none	NA
• B	• C	IAI Regional Fund/IAI Funds	—*	12.7	1.9	100	12	none	0.80
C	B	IAI Stock Fund/IAI Funds	16.9	26.9	1.5	91	27	none	0.80
		IDEX Fund/Idex	—*	26.5	2.3	81	35	††	1.32p
		IDEX II/Idex	—*	25.5	0.5	72	NM	††	1.50
		IDEX III/Idex	—*	—*	—*	10	—	8.50	NA
		IDS Discovery Fund/IDS	—*	5.3	1.4	258	–21	5.00	0.66‡
B	D	IDS Equity Plus/IDS	15.0	22.5	2.1	462	15	5.00	0.56‡
A+	C	IDS Growth Fund/IDS	23.0	17.4	0.5	904	4	5.00	0.61
		IDS International Fund/IDS	—*	39.2	0.4	354	92	5.00	1.07‡
		IDS Managed Retirement Fund/IDS	—*	24.6	1.7	725	170	5.00	0.89‡
A	C	IDS New Dimensions Fund/IDS	20.8	17.5	1.6	729	22	5.00	0.75‡
		IDS Precious Metals Fund/IDS	—*	121.6	0.4	101	788	5.00	1.28‡
C	B	IDS Progressive Fund/IDS	17.0	22.5	2.9	216	9	5.00	0.69‡
D	C	IDS Stock Fund/IDS	13.5	20.7	2.4	1,580	4	5.00	0.57‡
		IDS Strategy Fund-Aggressive Equity/IDS	—*	16.8	none	324	118	5.00r	1.64‡

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
		IDS Strategy Fund-Equity/IDS	—*	17.0%	2.7%	$151	112%	5.00%r	$1.67‡
		IDS Strategy Fund-Pan Pacific Growth/IDS	—*	—*	—*	53	—	5.00r	NA
		Industrial Series-American Fund/Mackenzie	—*	31.6	0.3	19	194	8.50	1.50p
		Integrated Capital Appreciation Fund/Integrated	—*	11.9	1.6	243	114	5.00r	2.40‡p
		Integrated Equity-Aggressive Growth/Integrated	—*	—*	—*	11	—	4.75	1.65‡
		Integrated Equity-Growth/Integrated	—*	—*	—*	10	—	4.75	1.68‡
		Interstate Capital Growth Fund/Interstate	—*	11.9	none	17	70	2.50	1.86‡
C	B	Investment Company of America/American Funds	17.6%	21.9	2.8	4,578	25	8.50	0.41
		Investment Portfolios-Equity/Kemper	—*	18.6	none	295	32	5.00r	2.27‡
		Investment Portfolios-Option Income/Kemper	—*	11.0	10.9	468	41	5.00r	2.20‡
C	F	Investment Trust of Boston/ITB	12.2	11.8	2.8	73	–1	7.00	1.24‡
A	D	Investors Research Fund/Diversified Sec	20.2	5.3	0.5	89	19	8.50	0.80
		IRI Stock Fund/IRI	—*	8.5	1.6	10	–34	4.50	1.80
F	A	ISI Growth Fund/Sigma	12.3	6.3	none	13	–10	8.50	1.50
F	A+	ISI Trust Fund/Sigma	10.7	10.5	5.4	105	–4	8.50	1.21
		Italy Fund/closed end	—*	16.3	1.6	81	5	NA	1.96
C	B	Ivy Growth Fund/Ivy	18.3	21.5	3.9	204	23	none	1.29
		Ivy International Fund/Ivy	—*	51.7	1.6	16	231	none	2.00
C	A	Janus Investment Fund[1]/Janus Capital	20.4	7.5	4.9	480	–12	none	1.04
		Janus Value Fund/Janus Capital	—*	7.7	5.7	19	80	none	1.79
		Janus Venture Fund/Janus Capital	—*	11.5	4.4	44	41	none	1.51
D	A	Japan Fund/closed end	20.0	38.5	0.3	704	35	NA	0.70
D	B	JP Growth Fund/Jefferson-Pilot	14.7	13.1	2.8	28	9	8.00	0.89
A	D	Kemper Growth Fund/Kemper	18.3	26.3	0.8	352	17	8.50	0.81
		Kemper International Fund/Kemper	—*	36.3	1.1	237	68	8.50	1.05
F	• A	Kemper Option Income Fund/Kemper	—*	16.1	12.0	582	–18	8.50	0.92
A	C	Kemper Summit Fund/Kemper	20.8	16.2	none	353	3	8.50	0.54
B	D	Keystone Custodian K-2/Keystone	13.8	22.1	1.4	380	28	4.00b	0.98‡
D	D	Keystone Custodian S-1/Keystone	11.7	20.4	1.7	219	86	4.00b	1.12‡
B	D	Keystone Custodian S-3/Keystone	15.4	16.5	1.4	286	4	4.00b	1.05‡
A	D	Keystone Custodian S-4/Keystone	16.8	17.2	0.1	672	–5	4.00b	0.81‡
C	C	Keystone International Fund/Keystone	15.7	50.4	0.7	162	140	4.00b	1.49‡
A	C	Keystone Precious Metals Holdings/Keystone	21.7	107.9	1.8	207	276	4.00b	1.41‡
		Kidder Peabody Equity Income/Kidder	—*	15.3	2.4	84	180	5.00r	2.07‡
		Kidder Peabody MarketGuard Appreciation/Kidder	—*	—*	—*	64	—	†	NA
		Kidder Peabody Special Growth Fund/Kidder	—*	3.8	0.2	31	–22	5.00r	1.45‡
B	D	Kleinwort Benson Transatlantic Grwth[2]/Kleinwort	17.1	39.5	none	101	19	none	1.49

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Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
		Korea Fund/closed end	—*	50.2%	0.1%	$210	49%	NA	$1.48
		Landmark Capital Growth Fund/Landmark	—*	—*	—*	19	—	none	a‡
		Landmark Growth & Income Fund/Landmark	—*	—*	—*	18	—	none	a‡
		Lazard Freres-Equity Fund/Lazard	—*	—*	—*	10	—	none	a‡
		Legg Mason Special Investment Trust/Legg Mason	—*	6.9	0.2	56	6	none	2.50p‡
		Legg Mason Total Return Trust/Legg Mason	—*	8.6	1.5	45	–11	none	2.40‡
		Legg Mason Value Trust/Legg Mason	—*	10.1	1.3	869	30	none	2.00‡
B	• B	Lehman Capital Fund/Lehman	—*	13.1	0.6	120	–5	5.00%	1.13
C	C	Lehman Corp/closed end	15.8%	17.5	2.7	1,022	10	NA	0.43
C	C	Lehman Investors Fund/Lehman	16.6	18.7	2.5	472	5	5.00	0.57
• B	• C	Lehman Opportunity Fund/Lehman	—*	12.6	2.1	104	–5	none	1.16
D	D	Lepercq-Istel Fund/Lepercq	11.9	15.8	3.2	28	0	none	1.67‡
		Leverage Fund of Boston/Eaton Vance	—*	19.0	none	29	–4	none	1.25
		Lexington Global Fund/Lexington	—*	—*	—*	13	—	5.00	NA
		Lexington Goldfund/Lexington	—*	86.8	0.5	80	420	none	1.50p‡
A	D	Lexington Growth Fund/Lexington	16.3	21.2	1.5	42	20	none	1.32‡
C	C	Lexington Research Fund/Lexington	15.0	18.8	2.9	145	9	none	0.95‡
		Liberty All-Star Equity Fund/closed end	—*	—*	—*	615	—	NA	2.77
		Lincoln National Convertible Securities/closed end	—*	10.3	4.3	102	6	NA	0.88
		Lindner Dividend Fund/Lindner	—*	11.7	7.6	61	–3	†	1.00
D	A+	Lindner Fund/Lindner	25.7	22.4	7.8	406	4	†	0.58
		LMH Fund/Heine Mgmt	—*	7.2	4.3	77	–9	none	1.31
A	B	Loomis-Sayles Capital Dev Fund/New England	25.2	24.5	0.4	292	26	††	0.74
B	• C	Lord Abbett Developing Growth/Lord Abbett	—*	6.8	none	254	–20	7.25	0.90
		Lord Abbett Fundamental Value/Lord Abbett	—*	—*	0.8	22	—	7.25	NA
		Lord Abbett Value Appreciation/Lord Abbett	—*	7.2	2.8	290	–14	7.25	0.89
C	C	Mairs & Power Growth Fund/Mairs & Power	15.3	12.1	1.2	26	2	none	1.03
• D	• B	Mairs & Power Income Fund/Mairs & Power	—*	13.6	4.1	7	33	none	1.20
		Malaysia Fund/closed end	—*	—*	—*	80	—	NA	NA
B	C	Manhattan Fund/Neuberger	18.2	22.5	0.8	525	82	none	1.10‡
C	D	Horace Mann Growth Fund/Mann	14.6	20.4	1.8	0	–100	†	NA
A	B	Mass Capital Development Fund/Mass Finl	23.0	14.0	1.2	1,098	6	7.25	0.71
B	D	Mass Financial Development Fund/Mass Finl	18.2	16.8	1.5	303	5	7.25	0.78
		Mass Financial Emerging Growth Trust/Mass Finl	—*	6.2	none	318	6	7.25	1.39
		Mass Financial Special Fund/Mass Finl	—*	20.9	0.3	154	19	7.25	1.31
B	D	Mass Investors Growth Stock Fund/Mass Finl	15.0	18.4	1.7	1,055	2	7.25	0.50
C	D	Mass Investors Trust/Mass Finl	14.3	25.4	2.6	1,484	12	7.25	0.49

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Stock funds rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to all investors. ††Closed to new investors. ‡Fund has shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. a: All expenses absorbed by fund sponsor.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
B	B	Mathers Fund/Mathers	18.9%	23.3%	2.2%	$161	–1%	none	$0.77
• A	• D	Medical Technology Fund/AMA Advisers	—*	6.1	none	59	–39	none	1.90‡
F	A	Meeschaert Capital Accumulation/Meeschaert	12.6	10.3	2.5	43	32	4.00b,r%	1.12‡
		Meridian Fund/Meridian	—*	–1.9	0.5	19	2	none	1.70
C	• B	Merrill Lynch Basic Value Fund/ML Funds	—*	21.8	3.2	1,159	41	6.50	0.61
C	B	Merrill Lynch Capital Fund/ML Funds	16.7	18.6	1.7	731	28	6.50	0.62
		Merrill Lynch EuroFund/ML Funds	—*	—*	—*	488	—	4.00r	2.07p‡
		Merrill Lynch Fund for Tomorrow/ML Funds	—*	9.0	0.5	893	41	4.00r	1.87p‡
		Merrill Lynch International Holdings/ML Funds	—*	27.4	1.6	359	27	6.50	1.41
		Merrill Lynch Natural Resources Trust/ML Funds	—*	69.9	0.4	954	402	4.00r	0.96‡
D	• A	Merrill Lynch Pacific Fund/ML Funds	—*	59.8	0.4	482	45	6.50	0.98p
		Merrill Lynch Retirement Equity/ML Funds	—*	—*	0.6	659	—	4.00r	NA
• D	• D	Merrill Lynch Special Value/ML Funds	—*	–7.2	0.4	141	23	6.50	1.19p
		MetLife-State Street Cap Appreciation/MetLife	—*	—*	0.2	24	—	4.50	1.50p‡
		MetLife-State Street Equity Income/MetL[illegible]	—*	—*	1.9	31	—	4.50	1.50p‡
		MetLife-State Street Equity Investment/MetLife	—*	—*	1.1	22	—	4.50	1.50p‡
		Mexico Fund/closed end	—*	227.6	3.0	207	180	NA	1.74
		MFS Lifetime Capital Growth Trust/Mass Finl	—*	—*	0.1	63	—	6.00r	2.50‡
		MFS Lifetime Dividends Plus Trust/Mass Finl	—*	—*	3.4	87	—	6.00r	2.44‡
		MFS Lifetime Emerging Growth Trust/Mass Finl	—*	—*	—*	51	—	6.00r	2.50‡
		MFS Lifetime Global Equity Trust/Mass Finl	—*	—*	—*	22	—	6.00r	2.50‡
		MFS Lifetime Managed Sectors Trust/Mass Finl	—*	—*	—*	72	—	6.00r	2.50‡
		MFS Managed Sectors Trust/Mass Finl	—*	12.2	0.7	202	300	4.75	1.19‡
D	B	MidAmerica High Growth Fund/MidAmerica	13.9	19.0	1.3	14	5	8.50	1.00
D	B	MidAmerica Mutual Fund/MidAmerica	14.8	21.7	3.0	38	10	8.50	0.93
		Midas Gold Shares & Bullion/IRI	—*	79.6	none	17	526	6.00	1.97‡
		Mimlic Investors Fund I/Mimlic	—*	17.6	none	8	22	5.00	1.00p
		Monitrend Value Fund[1]/Pallas	—*	–3.6	1.4	30	31	3.50	2.30‡
		Morgan Grenfell SmallCap Fund/closed end	—*	—*	—*	48	—	NA	1.48
		Morison Asset Allocation Fund/Morison Asset	—*	—*	—*	18	—	7.25	1.00p‡
		Mutual Beacon Fund/Heine Secs	12.1	26.7	1.3	113	78	none	1.20
C	C	Mutual Benefit Fund[2]/Mutual Benefit	14.7	17.0	1.8	19	22	8.50	1.32
D	D	Mutual of Omaha Growth Fund/Mutual of Omaha	11.4	12.4	1.1	44	38	8.00	1.11
• C	• A	Mutual Qualified Income Fund/Heine Secs	—*	22.6	3.0	760	40	none	0.68
C	A+	Mutual Shares Corp/Heine Secs	22.1	20.4	2.4	1,905	41	none	0.70
C	C	National Aviation & Technology/AFA	15.4	20.6	1.[illegible]	92	4	4.75	1.23
D	F	National Growth Fund/National Secs	9.7	6.2	1.9	71	–9	7.25	1.11

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Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
D	D	National Industries Fund/National Inds	10.6%	11.5%	0.9%	$32	2%	none	$1.68
		National Real Estate-Stock Fund/National Secs	—*	3.5	3.5	20	68	7.75%	1.50p‡
D	C	National Stock Fund/National Secs	14.8	14.6	5.2	229	–19	7.25	0.98
		National Telecommunications & Technology/AFA	—*	14.9	1.1	59	–19	4.75	1.75
D	B	Nationwide Fund/Nationwide	13.0	20.4	2.2	467	26	7.50	0.62
C	B	Nationwide Growth Fund/Nationwide	17.6	18.9	2.9	235	41	7.50	0.65
		Nautilus Fund/Eaton Vance	—*	9.6	none	21	1	4.75	1.78
B	F	Neuwirth Fund/National Finl	14.4	3.4	none	31	–2	none	1.78‡
		New Beginning Growth Fund/Sit	—*	17.6	0.2	56	38	none	1.24
		New Beginning Income & Growth Fund/Sit	—*	18.4	2.2	10	110	none	1.50
		New Economy Fund/American Funds	—*	17.1	1.6	970	27	8.50	0.68
D	A	New England Equity Inc Fund[1]/New England	15.9	12.6	2.8	48	54	6.50	1.19‡
A	B	New England Growth Fund[2]/New England	23.9	25.2	0.4	472	51	6.50	0.84‡
B	B	New England Retirement Equity/New England	18.1	22.2	0.3	153	50	6.50	0.90‡
B	B	New Perspective Fund/American Funds	19.4	39.2	1.8	1,119	29	8.50	0.66
A	C	New York Venture Fund/Venture	21.8	18.7	0.9	230	38	8.50	0.96
B	C	Newton Growth Fund/Newton	17.5	26.6	1.3	48	37	none	1.23‡
A	F	Niagara Share Corp/closed end	15.5	23.3	2.0	218	16	NA	1.04
		Nicholas Applegate Fund/closed end	—*	—*	—*	97	—	NA	NA
B	A+	Nicholas Fund/Nicholas	23.7	11.8	2.9	1,294	19	none	0.86
		Nicholas II/Nicholas	—*	16.9	2.0	407	20	none	0.78
		Nicholas Limited Edition/Nicholas	—*	—*	—*	7	—	none	NA
		Noddings Convertible Stratagies/Noddings	—*	7.6	3.6	12	75	none	1.70
		Nomura Pacific Basin Fund/Nomura	—*	61.6	none	103	130	none	1.45
• B	• C	Northeast Investors Growth/Northeast Inv	—*	16.1	0.2	30	90	none	1.80
• C	• C	Nova Fund/Nova	—*	25.2	none	33	25	8.50r	1.70
D	B	Old Dominion Investors' Trust/Investors Secs	14.3	20.6	4.7	7	17	8.50	1.25
		Olympic Trust-Series B/Olympic Trust	—*	6.5	0.2	9	93	none	1.00p
B	D	Omega Fund/International	14.8	23.2	1.4	38	3	5.50	1.47‡
C	D	One Hundred Fund/Berger	14.3	10.4	none	12	–3	none	1.71‡
D	B	One Hundred One Fund/Berger	14.0	10.2	3.3	4	68	none	NA
		Oppenheimer Blue Chip Fund/Oppenheimer Inv	—*	—*	1.2	17	—	4.75	1.50‡
		Oppenheimer Capl Appreciation/Oppenheimer Inv	—*	0.1	0.9	9	93	none	0.75
		Oppenheimer Challenger Fund/Oppenheimer Inv	—*	6.1	none	14	–8	2.50	3.33
• C	• D	Oppenheimer Directors Fund/Oppenheimer Inv	—*	11.4	2.0	200	–30	8.50	1.07
C	B	Oppenheimer Eq Income Fund/Oppenheimer Inv	17.6	20.6	4.9	731	92	8.50	0.92
B	F	Oppenheimer Fund/Oppenheimer Inv	11.7	8.7	0.2	274	–4	8.50	1.00

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Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
A+	D	Oppenheimer Global Fund[1]/Oppenheimer Inv	21.1%	34.6%	0.3%	$517	36%	$8.50	$1.42
		Oppenheimer Gold & Spec Mins/Oppenheimer Inv	—*	92.2	1.1	77	163	8.50	1.41
		Oppenheimer OTC Fund/Oppenheimer Inv	—*	—*	0.1	31	—	4.75	1.50‡
F	• A	Oppenheimer Premium Income/Oppenheimer Inv	—*	25.4	1.4	366	–13	8.50	0.87
		Oppenheimer Regency Fund/Oppenheimer Inv	—*	13.9	1.7	179	5	8.50	1.11
C	B	Oppenheimer Special Fund/Oppenheimer Inv	18.3	9.8	3.8	690	–11	8.50	0.93
		Oppenheimer Target Fund/Oppenheimer Inv	—*	–3.0	0.5	114	–21	8.50	1.16
A	C	Oppenheimer Time Fund/Oppenheimer Inv	21.7	16.5	1.1	350	17	8.50	0.94
C	D	Oppenheimer Total Return[2]/Oppenheimer Inv	11.9	21.4	4.7	281	9	4.75	0.88
B	A	Over-the-Counter Securities Fund/Review	22.2	1.8	1.1	304	16	8.00	0.85
		Pacific Horizon-Aggressive Growth/Dreyfus	—*	14.1	0.1	242	136	4.50	1.20p‡
		PaineWebber America Fund/PaineWebber	—*	11.0	4.0	103	8	8.50	1.15
		PaineWebber Atlas Fund/PaineWebber	—*	34.4	5.0	322	48	8.50	1.39
		PaineWebber Master Ser Asset Alloc/PaineWebber	—*	—*	1.1	721	—	5.00r	2.03p‡
		PaineWebber Master Series Growth/PaineWebber	—*	—*	0.4	129	—	5.00r	2.13p‡
		PaineWebber Olympus Fund/PaineWebber	—*	12.9	0.7	128	2	8.50	1.15
		Paribas Trust-Quantus Equity/Paribas	—*	12.1	0.1	18	281	4.00r	2.60p‡
		Parnassus Fund/Parnassus	—*	20.7	0.1	6	142	3.50	2.58
B	A	Partners Fund/Neuberger	21.3	17.0	2.1	758	76	none	0.86‡
		PBHG Growth Fund/Tenneco	—*	30.2	0.5	28	64	7.50	1.31
D	C	Penn Square Mutual Fund/Penn Square	14.9	22.4	3.5	231	9	none	0.80
B	A	Pennsylvania Mutual Fund/Penn Mutual	21.9	10.4	1.8	363	–9	1.00b	0.98
		Permanent Portfolio Fund/Permanent	—*	19.0	none	88	23	none	1.17‡
B	D	Petroleum & Resources Corp/closed end	15.5	38.8	3.7	303	31	NA	0.66
D	C	Philadelphia Fund/Fahnestock	14.9	12.9	2.1	113	–5	8.50	0.91
D	A	Phoenix Convertible Fund/Phoenix	16.9	19.0	4.2	156	61	8.50	0.37
		Phoenix Growth Fund/Phoenix	19.0	21.0	1.7	527	140	8.50	0.67
		Phoenix Stock Fund/Phoenix	—*	20.2	1.6	127	35	8.50	1.61
		Phoenix Total Return[3]/Phoenix	—*	14.6	2.9	18	203	4.75	1.33‡
		Pierpont Cap Appreciation Fund/Morgan Stanley	—*	—*	—*	21[4]	NA	none	0.99p
		Pierpont Equity Fund/Morgan Stanley	—*	—*	—*	14[4]	NA	none	0.99p
D	B	Pilgrim MagnaCap Fund/Pilgrim	16.6	13.5	2.3	245	31	4.75	1.40‡
		Pilgrim Regional Bankshares/closed end	—*	–5.3	2.1	99	–8	NA	1.10
		Pilgrim Rising Profitability Fund/Pilgrim	—*	—*	—*	11	—	4.75	1.20‡
C	D	Pilot Fund/Criterion	15.0	22.9	0.8	78	6	4.75	1.22‡
D	C	Pine Street Fund/National Finl	14.3	13.2	2.5	71	7	none	1.14‡
C	C	Pioneer Fund/Pioneer	16.0	24.1	1.9	1,576	8	8.50	0.68

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
B	A	Pioneer II/Pioneer	21.4%	23.1%	2.2%	$4,070	41%	8.50%	$0.72
		Pioneer Three/Pioneer	—*	11.0	2.0	713	24	8.50	0.68
		T Rowe Price Capital Appreciation/Price	—*	21.8	1.2	81	NM	none	1.20p
		T Rowe Price Equity Income Fund/Price	—*	21.5	4.5	220	232	none	1.10p
		T Rowe Price Growth & Income Fund/Price	—*	13.9	5.3	472	18	none	1.04
C	D	T Rowe Price Growth Stock Fund/Price	11.9	21.6	1.5	1,561	14	none	0.59
• A	• C	T Rowe Price International Stock Fund/Price	—*	47.2	0.6	1,004	61	none	1.10
		T Rowe Price New America Growth Fund/Price	—*	1.9	0.4	98	–1	none	1.20p
A	D	T Rowe Price New Era Fund/Price	17.6	32.3	1.7	766	44	none	0.73
B	D	T Rowe Price New Horizons Fund/Price	17.3	3.1	0.1	1,217	–20	none	0.73
		Primary Trend Fund/Primary Trend	—*	—*	—*	31	—	none	1.32
		Principal Preservation-Div Achievers/Ziegler	—*	—*	—*	8	—	4.50	NA
		Principal Preservation-S&P 100 Plus/Ziegler	—*	26.7	2.7	17	102	4.50	a
C	A	Princor Capital Accumulation Fund/Princor	17.2	21.0	1.4	94	68	8.50	1.00
B	D	Princor Growth Fund/Princor	15.8	21.2	1.1	37	40	8.50	1.00
		Progressive Income Equity/closed end	—*	—*	—*	54	—	NA	NA
		Prudential-Bache Equity Fund/Pru-Bache	—*	21.2	1.4	563	99	5.00r	1.52‡
		Prudential-Bache Global Fund/Pru-Bache	—*	33.5	0.1	831	176	5.00r	1.86p‡
		Prudential-Bache Growth Opportunity/Pru-Bache	—*	12.0	none	178	74	5.00r	1.46p‡
		Prudential-Bache IncomVertible/Pru-Bache	—*	12.8	5.4	529	100	5.00r	1.99‡
		Prudential-Bache Option Growth Fund/Pru-Bache	—*	19.1	2.0	87	17	5.00r	1.55‡
		Prudential-Bache Research Fund/Pru-Bache	—*	19.5	0.8	477	151	5.00r	1.94‡
		Prudential-Bache Utility Fund/Pru-Bache	—*	6.1	5.9	1,682	101	5.00r	1.42‡
		Putnam Capital Fund/Putnam	—*	10.0	0.2	14	–3	†	0.57
D	A	Putnam Convertible Income-Growth/Putnam	16.8	11.7	5.4	1,280	99	8.50	0.83
• D	• D	Putnam Energy-Resources Trust/Putnam	—*	36.6	2.6	117	268	8.50	1.77
C	B	Putnam Fund for Growth & Income/Putnam	17.6	22.0	4.6	1,705	50	8.50	0.53
		Putnam Health Sciences Trust/Putnam	—*	11.8	0.9	316	5	8.50	1.00
		Putnam Information Sciences Trust/Putnam	—*	31.5	0.2	145	–1	8.50	1.14p
C	B	Putnam International Equities Fund/Putnam	20.8	30.9	0.5	612	90	8.50	1.19p
B	D	Putnam Investors Fund/Putnam	15.8	14.9	1.9	1,020	–12	8.50	0.49
D	• B	Putnam Option Income Trust/Putnam	—*	20.8	0.7	1,244	4	8.50	0.73
		Putnam Option Income Trust II/Putnam	—*	12.8	3.2	1,790	89	8.50	0.82
		Putnam OTC Emerging Growth Fund/Putnam	—*	12.8	none	150	164	6.75	1.46‡
B	B	Putnam Vista Basic Value/Putnam	19.8	23.5	2.9	265	26	8.50	1.02
A	C	Putnam Voyager Fund/Putnam	21.1	17.9	0.6	574	35	8.50	0.89
A+	C	Quasar Associates/Alliance	25.3	1.8	none	133	–35	††	1.16p

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Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		Forbes stock fund composite	16.9%	19.8%	1.7%				
		Quest for Val Dual Purpose-Cap[1]/Oppenheimer	—*	—*	—*	$425	—	NA	$0.75
		Quest for Val Dual Purpose-Inc[1]/Oppenheimer							
• C	• A	Quest for Value Fund/Oppenheimer Cap	—*	11.0%	0.9%	111	50%	none	2.17
		Regional Financial Shares Investment/closed end	—*	–1.9	2.4	96	–7	NA	1.05
		Reich & Tang Equity Fund/Reich & Tang	—*	13.8	1.5	121	16	none	1.21p
		Reserve Equity-Contrarian[2]/Resrv	—*	17.9	1.2	28	30	none	1.50
		Rightime Fund/Lincoln Invest	—*	5.5	none	212	69	none	1.46‡
		Rochester Tax Managed Fund/Rochester	—*	–0.3	none	24	–26	8.50%	NA
		LF Rothschild Rising Dividends/Rothschild	—*	—*	0.5	28	—	3.00	1.50‡
		Royce Fund-Value/Quest	—*	9.1	0.5	166	3	1.00b,r	1.98‡
		Royce Value Trust/closed end	—*	—*	—*	114	—	NA	1.79
		RPF of America-Equity Fund/Venture	—*	22.9	0.2	19	55	5.00b	1.25‡
		Rushmore Stock Mkt Index Plus/Rushmore	—*	25.3	1.9	18	NM	none	0.75
C	C	Safeco Equity Fund/Safeco	15.8%	15.8	2.0	68	13	none	0.95
C	B	Safeco Growth Fund/Safeco	17.5	11.3	1.4	78	–2	none	0.85
D	A	Safeco Income Fund/Safeco	16.9	14.7	4.6	291	213	none	0.88
		St Clair Equity-Capital Growth Fund/Fairfield	—*	—*	—*	6	—	none	0.46p
		Salem Funds-Growth/Fiduciary	—*	16.7	1.1	26	138	none	1.97‡
		SBSF/SBSF Fund	—*	8.3	2.6	99	7	none	1.13
		Scandinavia Fund/closed end	—*	21.9	none	72	22	NA	1.90
		Schield Portfolios Aggressive Growth/Schield Secs	—*	–4.8	none	7	217	4.00	2.50‡
		Schield Portfolios Value/Schield Secs	—*	–3.4	none	6	154	4.00	2.50‡
		Sci/Tech Holdings/ML Funds	—*	18.5	0.5	298	–3	6.50	1.44
B	C	Scudder Capital Growth Fund/Scudder	19.1	17.1	1.2	546	9	none	0.95
C	B	Scudder Development Fund/Scudder	20.2	7.3	none	387	8	none	1.29
		Scudder Global Fund/Scudder	—*	—*	—*	102	—	none	1.68p
B	D	Scudder Growth & Income Fund/Scudder	14.7	14.5	3.9	472	20	none	0.83
C	B	Scudder International Fund/Scudder	19.0	39.4	1.1	807	26	none	1.09p
		Scudder New Asia Fund/closed end	—*	—*	—*	78	—	NA	NA
		Second Fiduciary Exchange Fund/‡‡	—*	21.9	1.5	75	3	none	0.76
		Security Action Fund/Security	—*	9.0	2.9	118	56	••	0.80
A	D	Security Equity Fund/Security	16.9	17.3	2.2	276	3	8.50	0.67
D	C	Security Investment Fund/Security	14.1	16.0	5.0	110	2	8.50	0.78
		Security Omni Fund/Security	—*	–5.9	7.3	23	–15	8.50	1.48
A	D	Security Ultra Fund/Security	19.2	5.7	4.4	101	–15	8.50	0.78
D	B	Selected American Shares/Prescott, Ball	15.2	16.1	2.8	302	96	none	0.85‡
D	D	Selected Special Shares/Prescott, Ball	12.1	20.8	2.2	45	10	none	1.08‡

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Stock funds rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. **Available only through monthly contractual plan. ‡‡Exchange fund, not currently selling new shares. p: Net of partial absorption of expenses by fund sponsor. b: Includes back end load that reverts to fund. r: Includes back end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful. [1]Dual fund. Performance, asset and expense data are on capital and income shares treated as a unit. [2]Formerly Reserve Equity-Dreman Contrarian.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
A	D	Seligman Capital Fund/Seligman	20.7%	14.1%	none	$235	6%	4.75%	$0.78
B	C	Seligman Common Stock Fund/Seligman	17.1	17.5	3.1%	633	9	4.75	0.55
		Seligman Communications & Info/Seligman	—*	22.9	none	53	0	4.75	1.68
B	D	Seligman Growth Fund/Seligman	14.3	14.1	1.5	718	–3	4.75	0.57
C	A	Sentinel Common Stock Fund/Equity Services	17.5	18.8	3.3	605	18	8.50	NA
A	D	Sentinel Growth Fund/Equity Services	17.4	20.3	1.8	66	10	8.50	0.79
B	C	Sentry Fund/Sentry	16.3	11.8	1.9	50	9	8.00	0.72
D	A+	Sequoia Fund/Ruane Cunniff	22.8	13.6	3.5	800	13	††	1.00
		Shearson Aggressive Growth Fund/Shearson	—*	21.0	none	139	7	5.00	1.10
A	B	Shearson Appreciation Fund/Shearson	20.6	20.2	1.3	515	85	5.00	1.00
		Shearson Fundamental Value Fund/Shearson	—*	24.4	4.0	109	–8	5.00	1.00
		Shearson Global Opportunities/Shearson	—*	18.9	0.5	269	–9	5.00	1.60p
		Shearson Lehman-Convertible Secs/Shearson	—*	—*	2.9	228	—	5.00r	1.60p‡
		Shearson Lehman-Equity Growth/Shearson	—*	11.6	1.6	179	46	5.00b,r	1.00‡
		Shearson Lehman-Equity Plus/Shearson	—*	–3.4	1.0	33	18	5.00b,r	1.50‡
		Shearson Lehman-International Equity/Shearson	—*	23.4	none	185	12	5.00r	2.65‡
		Shearson Lehman-Option Income/Shearson	—*	8.6	1.9	946	102	5.00r	1.73‡
		Shearson Lehman-Strategic Investment/Shearson	—*	—*	—*	176	—	5.00r	2.50‡
D	C	Sherman, Dean Fund/Sherman, Dean	10.7	87.3	none	3	65	none	3.38‡
D	D	Sierra Growth Fund/Sierra	8.7	13.7	none	4	–14	none	2.75
B	B	Sigma Capital Shares/Sigma	19.7	8.6	1.6	99	–3	8.50	0.91‡
C	B	Sigma Investment Shares/Sigma	15.7	17.2	2.8	100	20	8.50	0.94‡
B	C	Sigma Special Fund/Sigma	17.6	26.5	1.1	21	0	8.50	1.25‡
B	B	Sigma Venture Shares/Sigma	21.3	0.9	0.4	75	–19	8.50	0.96‡
		Sigma World Fund/Sigma	—*	35.2	none	11	53	8.50	2.00‡
B	C	Smith Barney Equity Fund/Smith Barney	16.9	20.0	2.3	90	13	4.00	0.85‡
D	A	Smith Barney-Income & Growth/Smith Barney	17.9	21.8	5.5	659	151	5.75	0.56
C	A	SoGen International Fund/Sogen	19.6	24.8	none	102	70	4.25	1.47‡
		Sound Shore Fund/Reich & Tang	—*	12.2	0.9	31	52	none	1.45‡
D	A+	Source Capital/closed end	22.2	15.9	6.3	308	3	NA	0.97
		Southeastern Growth Fund/Wheat First	—*	4.1	none	119	37	5.00r	2.16‡
D	A	Sovereign Investors/Sovereign	15.9	9.3	4.1	45	39	5.00	0.70
A+	D	Spectra Fund/closed end	21.3	10.9	none	6	–14	NA	2.39
C	D	State Bond Common Stock Fund/State Bond	11.7	19.4	1.2	37	6	8.50	0.93
D	B	State Bond Diversified Fund/State Bond	14.6	17.6	2.8	20	30	8.50	0.82
B	D	State Bond Progress Fund/State Bond	15.1	8.5	0.9	9	–2	8.50	1.06
		State Street Exchange Fund/‡‡	—*	23.8	1.8	182	14	none	0.64

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Stock funds rated only if in operation since 11/30/80. *Fund not in operation for full period. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. ††Closed to new investors. ‡‡Exchange fund, not currently selling new shares. p: Net of partial absorption of expenses by fund sponsor. b: Includes back end load that reverts to fund. r: Includes back end load that reverts to distributor. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
		State Street Growth Fund/‡‡	—*	22.1%	2.0%	$297	6%	1.00%r	$0.55
B	C	State Street Investment Corp/State Street	16.0%	25.4	2.3	648	10	1.00†r	0.50
D	F	Steadman American Industry Fund/Steadman Secs	3.1	–5.7	none	7	–15	none	6.26‡
F	B	Steadman Associated Fund/Steadman Secs	7.0	–13.2	2.2	20	–22	none	1.55‡
F	D	Steadman Investment Fund/Steadman Secs	5.8	12.1	none	9	–9	none	3.97‡
D	F	Steadman Oceanographic Tech & Gro/Steadman	4.9	4.5	none	5	–7	none	5.81‡
A+	D	SteinRoe & Farnham Cap Opportunity/Stein Roe	19.6	19.0	0.1	320	46	none	0.95
A	F	SteinRoe & Farnham Stock Fund/Stein Roe	15.1	23.7	1.2	308	–99	none	0.67
		SteinRoe Discovery Fund/Stein Roe	—*	–3.2	0.3	66	–51	none	1.35
		SteinRoe Prime Equities/Stein Roe	—*	—*	—*	14	—	none	NA
• A	• C	SteinRoe Special Fund/Stein Roe	—*	16.6	1.8	272	–22	none	0.92
• C	• D	SteinRoe Universe Fund/Stein Roe	—*	5.0	1.0	94	–18	none	1.22
		Stock Accumulation Fund/Investors Mgmt	—*	8.1	1.7	8	33	5.00	1.16
		Strategic Capital Gains/Strategic	—*	–28.2	none	4	–56	8.50	1.54
A	•F	Strategic Investments Fund/Strategic	—*	89.1	5.7	108	74	8.50	1.46
		Strategic Silver Fund/Strategic	—*	47.4	none	37	125	8.50	1.54
D	C	Stratton Growth Fund/Stratton	14.9	5.7	1.2	20	3	none	1.50
D	A+	Stratton Monthly Dividend Shares/Stratton	12.2	2.3	8.1	44	32	none	1.24
		Strong Opportunity Fund/Strong	—*	15.5	1.0	167	875	2.00	1.70
		Summit Investors' Fund/AIM	—*	18.1	0.5	112	79	**	1.11
B	D	Surveyor Fund/Alliance	15.0	7.9	0.3	107	0	5.50	1.28‡
		Taiwan Fund/closed end	—*	—*	—*	32	—	NA	NA
		TCW Convertible Securities Fund/closed end	—*	—*	—*	195	—	NA	0.95
A	D	Technology Fund/Kemper	16.9	27.5	1.1	702	11	8.50	0.64
		Templeton Emerging Markets/closed end	—*	—*	—*	112	—	NA	NA
		Templeton Foreign Fund/Securities Fund	—*	44.5	1.7	276	54	8.50	0.79
		Templeton Global I/Securities Fund	—*	16.4	2.3	337	5	†	0.66
		Templeton Global II/Securities Fund	—*	8.7	2.2	587	13	8.50	0.76
C	A	Templeton Growth Fund/Securities Fund	20.1	25.9	1.2	1,447	–19	8.50	0.83
C	• B	Templeton World Fund/Securities Fund	—*	20.0	2.5	4,199	31	8.50	0.67
		Thomson McKinnon Investment-Global/Thomson	—*	—*	—*	105	—	5.00r	2.50‡
		Thomson McKinnon Invest-Growth/Thomson	—*	29.5	1.4	419	121	5.00r	1.70‡
		Thomson McKinnon Invest-Oppor/Thomson	—*	5.7	none	66	0	5.00r	1.80‡
		Tocqueville Fund/Tucker Anthony	—*	—*	—*	10	—	none	2.28p‡
B	D	Tri-Continental Corp/closed end	15.7	17.1	2.8	1,590	9	NA	0.54
A	B	Tudor Fund/Weiss, Peck	22.6	18.7	none	213	12	none	0.99
		20th Century Giftrust Investors/20th Century	—*	13.7	none	11	56	1.00c	1.01

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES stock fund composite	16.9%	19.8%	1.7%				
A+	C	20th Century Growth Investors/20th Century	27.9%	25.5%	0.5%	$1,416	34%	none	$1.01
A+	B	20th Century Select Investors/20th Century	28.4	18.0	1.0	2,975	50	none	1.01
		20th Century Ultra Investors/20th Century	—*	19.3	0.1	360	–12	1.00%c	1.01
		20th Century Vista Investors/20th Century	—*	12.7	none	276	63	1.00c	1.01
		UMB Stock Fund/Jones & Babson	—*	18.1	1.3	43	35	none	0.87
		Unified Growth Fund/Unified	—*	6.7	1.4	29	7	none	1.01
D	C	Unified Mutual Shares Fund/Unified	13.3	7.5	3.1	23	16	none	1.02
C	C	United Accumulative Fund/Waddell & Reed	16.6	14.0	2.4	822	12	8.50	0.60
C	B	United Income Fund/Waddell & Reed	15.5	16.9	2.5	1,060	26	8.50	0.62
C	B	United International Growth/Waddell & Reed	18.9	36.7	0.9	292	54	8.50	1.09
		United New Concepts Fund/Waddell & Reed	—*	7.6	0.5	104	72	8.50	1.19
B	D	United Science & Energy Fund/Waddell & Reed	15.3	28.1	1.3	243	24	8.50	0.83
A	C	United Services-Gold Shares Fund/United Services	24.6	106.1	5.5	408	90	none	1.57p
		United Svcs-Good & Bad Times/United Services	—*	12.6	1.9	36	12	none	1.51p
		United Services-Growth Fund/United Services	—*	3.1	0.7	9	–23	none	1.81p
		United Services-New Prospector/United Services	—*	116.8	none	127	365	2.00	1.67p
		United Services-Prospector Fund/United Services	—*	107.5	none	76	25	2.00†r	2.53p
B	B	US Trend Fund/Tenneco	19.7	19.0	2.4	106	20	7.50	0.99
B	B	United Vanguard Fund/Waddell & Reed	21.9	20.3	2.1	651	24	8.50	0.98
		US Boston Investment-Boston I/US Boston	—*	21.7	none	35	87	1.00r	2.00‡
		US Boston Investment-International/US Boston	—*	66.1	none	8	179	1.00r	2.00p‡
		USAA Investment Trust-Cornerstone Fund/USAA	—*	48.6	1.6	479	NM	none	1.28
		USAA Investment Trust-Gold Fund/USAA	—*	127.5	0.7	180	930	none	1.42
•C	•D	USAA Mutual-Growth Fund/USAA	12.1	12.7	1.0	258	27	none	1.10
		USAA Mutual-Income Stock Fund/USAA	—*	—*	—*	7	—	none	NA
		USAA Mutual-Sunbelt Era Fund/USAA	—*	5.7	0.3	152	–3	none	1.07
		UST Master Funds-Equity/Boston Co	—*	13.6	1.1	15	90	none	1.21p
		UST Master Funds-Income & Growth/Boston Co	—*	—*	—*	6	—	none	1.28p
F	A+	Valley Forge Fund/Valley Forge	16.3	9.5	6.3	9	–5	1.00b	1.40
		Value Line Convertible Fund/Value Line	—*	4.5	4.6	91	56	none	1.04
B	B	Value Line Fund/Value Line	18.1	9.9	1.4	256	–6	none	0.73
D	A	Value Line Income Fund/Value Line	16.8	8.6	6.6	182	14	none	0.77
B	A	Value Line Leveraged Growth Inv/Value Line	23.4	15.7	0.5	421	38	none	0.96
B	B	Value Line Special Situations Fund/Value Line	17.0	1.9	0.3	212	–20	none	1.02
		Van Eck Gold/Resources Fund/Van Eck	—*	126.2	none	163	NM	7.50	1.52p‡
A	C	Van Eck-International Investors/Van Eck	28.1	88.2	2.4	1,132	63	8.50	0.86
		Van Kampen Merritt Gro & Inc Fund/Van Kampen	—*	—*	0.6	31	—	4.90	0.84‡

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		Forbes stock fund composite	16.9%	19.8%	1.7%				
		Vance, Sanders Exchange Fund/‡‡	14.8%	23.3%	1.5%	$175	7%	none	$0.69
D	A	Vance, Sanders Special Fund/Eaton Vance	16.4	2.4	0.4	85	-22	4.75%	0.99
B	B	Vanguard Explorer Fund/Vanguard	18.4	1.3	0.1	289	-20	†	0.76
		Vanguard Explorer II/Vanguard	—*	5.9	0.2	68	61	none	1.17
		Vanguard Gemini II Capital[1]/Vanguard Vanguard Gemini II Income[1]/Vanguard	—*	29.5	7.0	315	20	NA	0.62
B	D	Vanguard Index Trust/Vanguard	15.1	24.9	2.9	906	84	none	0.28
B	C	Vanguard WL Morgan Growth Fund/Vanguard	17.2	21.9	1.3	737	-4	none	0.54
D	C	Vanguard Naess & Thomas Special Fund/Vanguard	14.8	1.9	none	33	-22	none	0.92
		Vanguard PrimeCap Fund/Vanguard	—*	28.6	0.6	236	132	none	0.82
C	A+	Vanguard Qualified Dividend I/Vanguard	21.6	20.8	7.3	193	7	††	0.52
		Vanguard Quantitative Portfolios/Vanguard	—*	—*	—*	172	NM	none	0.57
		Vanguard Specialized-Energy/Vanguard	—*	54.4	1.1	59	595	1.00b	0.65
		Vanguard Spec-Gold & Prec Metals/Vanguard	—*	108.8	1.5	176	569	1.00b	0.59
		Vanguard Specialized-Health Care/Vanguard	—*	22.5	1.1	73	43	1.00b	0.61
		Vanguard Specialized-Service Economy/Vanguard	—*	6.9	1.9	51	-38	1.00b	0.48
		Vanguard Specialized-Technology/Vanguard	—*	14.0	0.4	28	68	1.00b	0.65
		Vanguard Trustees' Commingled-Intl/Vanguard	—*	50.4	2.1	814	25	none	0.52
• B	• B	Vanguard Trustees' Commingled-US/Vanguard	—*	31.8	3.1	180	-9	none	0.52
C	A	Vanguard Windsor Fund/Vanguard	20.8	25.5	5.0	5,996	24	††	0.52
		Vanguard Windsor II/Vanguard	—*	18.7	3.0	1,554	133	none	0.65
		Vanguard World-International Growth/Vanguard	—*	33.7	0.5	560	58	none	0.69
		Vanguard World-US Growth/Vanguard	—*	8.7	2.3	190	2	none	0.63
D	B	Variable Stock Fund/Variable	12.8	8.8	1.8	9	8	none	1.21
		Viking Equity Index Fund-General/Fairfield	—*	22.8	1.7	11	108	none	1.05p
C	D	Wall Street Fund/Wall Street	12.1	17.3	none	13	18	5.50	2.01p
		Warburg International Fund/Reich & Tang	—*	30.6	none	8	-18	none	1.54p
C	A	Washington Mutual Investors/American Funds	17.9	21.3	3.7	2,881	95	8.50	0.54
		Wealth Monitors Fund/Michael W Lamb	—*	—*	—*	6	—	8.50	2.50p‡
A+	C	Weingarten Equity Fund/AIM	26.3	18.2	0.7	258	15	4.75	1.00
		Westergaard Fund/Ladenburg	—*	-11.3	1.7	13	-37	8.50	2.25
		World of Technology/Financial Prog	—*	17.0	none	10	3	none	1.50
		World Wide Value Fund/closed end	—*	—*	—*	68	—	NA	2.02
B	D	WPG Fund/Weiss, Peck	17.9	16.7	0.3	48	-4	none	1.23
		WPG Growth Fund/Weiss, Peck	—*	18.1	none	153	525	none	1.13
		Z-Seven Fund/closed end	—*	21.7	none	29	16	NA	3.18
		Zweig Fund/closed end	—*	—*	—*	370	—	NA	1.16

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Balanced funds

Balanced funds mix stocks and bonds or buy lots of convertible bonds. FORBES classifies a fund as balanced if stocks make up from 20% to 80% of its assets, excluding cash. They are graded separately from stock funds, but according to a similar system using the same definition of up and down markets *(see chart, p. 170).* For more information, contact the distributor beside the fund's name. The list of distributor addresses and phone numbers begins on page 268.

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		FORBES balanced fund composite	7.8%	14.9%	4.8%				
		Advantage Income Fund/Advest	—*	8.7%	4.8%	$67	160%	4.00%r	$1.95‡
•D	•C	Aim Convertible Securities[1]/AIM	—*	–7.7	6.2	27	23	4.75	1.56‡
B	C	Alliance Balanced Shares/Alliance	13.9%	10.7	4.5	120	65	5.50	0.99‡
C	C	American Balanced Fund/American Funds	13.9	15.7	5.4	202	22	8.50	0.67‡
A	B	American Capital Convertible Securities/closed end	18.9	10.0	6.1	90	–2	NA	0.77‡
A	D	American Capital Harbor Fund/American Cap	16.5	9.5	5.7	418	59	8.50	0.64‡
B	D	Axe-Houghton Fund B/Axe Securities	14.2	14.7	5.6	205	7	none	0.98‡
B	D	Bancroft Convertible Fund/closed end	14.1	8.8	5.4	62	2	NA	1.80‡
		BB&K Diversa Fund/Bailard	—*	—*	none	74	—	none	1.59‡
		Bruce Fund/Bruce	—*	–3.3	1.1	7	138	none	1.70‡
		Calvert Social Invest-Managed Growth/Calvert	—*	8.7	2.2	156	107	4.50	1.28‡
D	A	Castle Convertible Fund/closed end	15.1	7.9	7.9	60	–2	NA	1.13‡
		Claremont Fund-Combined/Claremont Co	—*	10.7	1.6	16	172	none	2.10p
		Clipper Fund/Pacific	—*	13.4	3.3	90	41	2.00b	1.28p
		Colonial Advanced Strategies Gold Trust/Colonial	—*	102.5	0.6	92	370	6.75	1.75p
B	D	Colonial Fund/Colonial	13.8	14.9	4.1	264	71	6.75	1.02‡
C	C	Composite Bond & Stock Fund/Murphey Favre	13.0	9.7	5.3	91	23	4.00	1.78‡
•C	•A	Country Capital Income Fund/Country Capital	—*	3.9	6.7	6	28	5.00	1.37‡
C	C	Criterion Income-Commerce Inc Shares/Criterion	13.0	14.4	3.3	86	22	4.75	1.12‡
A	D	Dodge & Cox Balanced Fund/Dodge & Cox	14.3	20.8	4.1	39	40	none	0.73‡
C	C	Dreyfus Convertible Securities Fund/Dreyfus	13.8	14.6	5.2	265	68	none	0.85‡
		Duff & Phelps Selected Utilities/closed end	—*	—*	—*	1,010	—	NA	1.56‡
		Eaton Vance High Income Trust/Eaton Vance	—*	—*	—*	213	—	6.00b,r	1.01‡
D	B	Eaton Vance Income Fund of Boston/Eaton Vance	12.1	10.3	10.2	45	6	4.75	1.16‡
C	C	Eaton Vance Investors Fund/Eaton Vance	14.3	11.8	4.5	240	2	4.75	0.86‡
		Federated Corporate Cash Trust/Federated	—*	5.4	6.1	103	–28	none	0.90p
D	B	Federated Stock & Bond Fund/Federated	13.8	11.2	5.0	103	61	none	1.00p
		Fidelity Balanced Fund/Fidelity	—*	—*	—*	169.8	—	2.00	1.50p
		First Australia Fund/closed end	—*	46.3	2.8	80	35	NA	2.08p
		First Lakeshore Diversified Asset Fund/Dreyfus	—*	7.0	0.6	5	325	none	a‡
C	A	Franklin Income/Franklin	16.5	16.6	9.6	411	120	4.00	0.64‡
		FundTrust-Growth & Income/Furman Selz	—*	11.7	2.3	87	282	none	1.12‡

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Balanced funds rated only if in operation since 12/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. a: All expenses absorbed by sponsor. p: Net of partial absorption of expenses by fund sponsor. b: Includes back end load that reverts to fund. r: Includes back end load that reverts to distributor. NA: Not applicable or not available. [1]Formerly Convertible Yield Securities.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Balanced

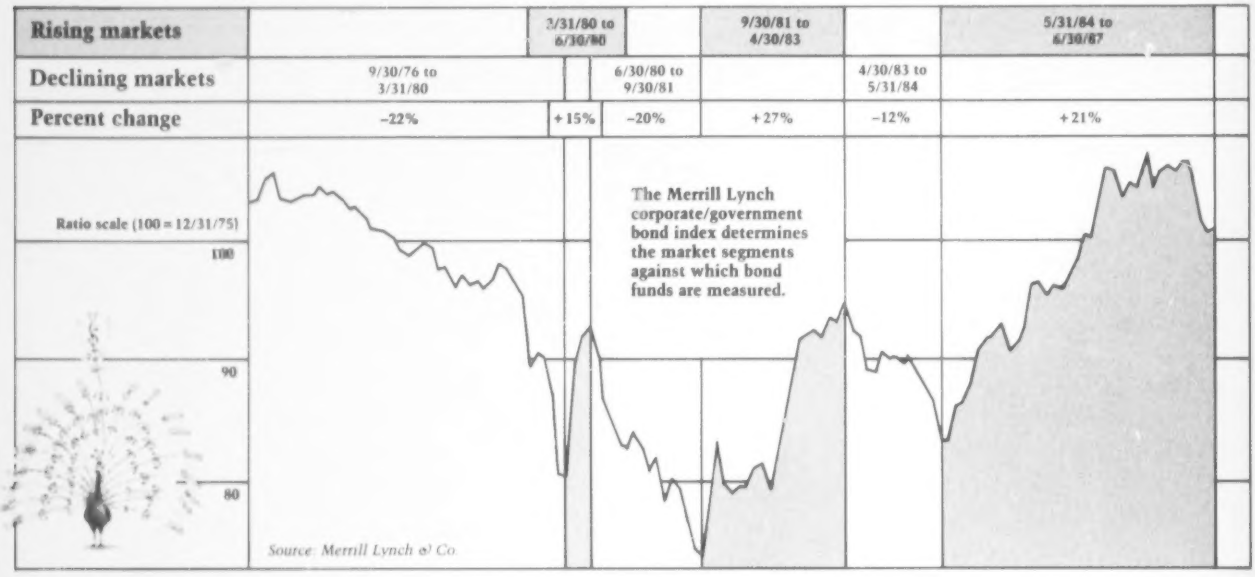
Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	25.1%	3.2%				
		Forbes balanced fund composite	7.8%	14.9%	4.8%				
•B	•C	GPM Fund/Trusteed	—*	14.4%	4.0%	$7	13%	none	$1.36‡
C	C	IDS Mutual/IDS	14.0%	19.8	5.5	1,536	18	5.00%	0.64‡
D	B	Income Fund of America/American Funds	14.5	11.9	6.9	926	66	8.50	0.55‡
		Industrial Series-Option Income/Mackenzie	—*	22.6	2.5	271	677	8.50	1.21‡
		Investment Portfolios-Total Return/Kemper	—*	—*	0.5	435	—	5.00r	1.90‡
A+	D	Kemper Total Return Fund/Kemper	18.3	19.2	3.1	1,232	113	8.50	0.73‡
D	C	Keystone Custodian K-1/Keystone	13.0	14.7	5.5	727	74	4.00b	0.86‡
B	D	Loomis-Sayles Mutual Fund/New England	15.2	20.7	3.1	305	76	none	0.84‡
B	B	Mass Financial Total Return Trust/Mass Finl	15.2	16.9	4.9	487	57	7.25	0.66‡
D	•B	Merrill Lynch Equi-Bond I Fund/ML Funds	—*	9.3	4.1	17	–2	4.50b	1.50p
		Merrill Lynch Phoenix Fund/ML Funds	—*	19.1	3.9	127	3	6.50	1.18p
		Merrill Lynch Retirement Benefit Inv/ML Funds	—*	13.7	3.1	3,152	69	4.00r	1.74‡
F	A	Mutual of Omaha Income Fund/Mutual of Omaha	10.6	8.6	8.2	150	51	8.00	0.77‡
C	A	National Total Income Fund/National Secs	16.1	5.9	5.3	150	92	7.25	1.04‡
B	C	National Total Return Fund/National Secs	16.9	8.8	4.8	331	27	7.25	0.97‡
•C	•D	Pax World Fund/Pax World	—*	8.3	3.2	72	46	none	1.20‡
		Phoenix Balanced Fund/Phoenix	—*	15.7	4.1	334	138	8.50	0.66‡
D	A+	Provident Fund for Income/American Cap	15.0	23.7	5.7	116	7	7.25	0.76‡
B	C	George Putnam Fund of Boston/Putnam	14.5	17.6	5.4	435	18	8.50	0.58‡
		Rea-Graham Fund/Rea-Graham	—*	8.7	3.4	49	27	8.50	1.48‡
		Royce Fund-Equity Income/Quest	—*	–0.1	4.6	6	31	1.00b,r	1.81‡
D	B	Seligman Income Fund/Seligman	13.1	4.1	8.2	182	38	4.75	0.73‡
C	B	Sentinel Balanced Fund/Equity Services	14.4	13.7	5.6	69	94	8.50	0.69‡
C	B	Sigma Trust Shares/Sigma	13.5	11.4	5.0	49	25	8.50	0.99‡
B	F	SteinRoe Total Return Fund/Stein Roe	11.4	11.1	6.0	178	19	none	0.79‡
		Strong Investment Fund/Strong	—*	2.9	6.6	341	8	1.00	1.06‡
		Strong Total Return Fund/Strong	—*	13.8	5.2	899	101	1.00	1.07‡
		Templeton Income Fund/Securities Fund	—*	—*	3.5	119	—	8.50	NA‡
		Unified Income Fund/Unified	—*	5.6	6.8	15	19	none	1.12‡
A	C	United Continental Income Fund/Waddell & Reed	15.9	6.2	4.3	384	78	8.50	0.79‡
		United Gold & Government Fund/Waddell & Reed	—*	82.6	1.3	114	NM	8.50	1.48‡
C	C	United Retirement Shares/Waddell & Reed	13.0	7.5	3.3	109	10	8.50	0.92‡
		Van Eck World Trends Fund/Van Eck	—*	31.1	1.5	100	129	7.50	1.46‡
		Vanguard Star Fund/Vanguard	—*	14.0	5.0	638	64	none	a‡
D	A	Vanguard Wellesley Income Fund/Vanguard	13.5	6.8	8.3	591	75	none	0.48‡
A	D	Vanguard Wellington Fund/Vanguard	15.0	18.3	5.2	1,541	50	none	0.43‡

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Balanced funds rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. a: All expenses absorbed by fund sponsor. p: Net of partial absorption of expenses by fund sponsor. b: Includes back end load that reverts to fund. r: Includes back end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Bond & preferred stock

Brilliance in a bond manager consists of owning long-term bonds when the market turns up. The past several years have been mostly bullish for bonds, since interest rates have been falling, so recent performance makes the longest-maturity bond funds look the smartest. But these funds will look the worst if bond prices fall. For this reason, we compute separate performance grades during bullish and bearish bond markets. Very few funds excel in both environments. As with stock funds, we identify three market cycles, with an up and down in each. To be rated at all, a bond fund must have been in existence for two full market cycles—that is, since June 30, 1980. To obtain more information about a fund, contact the distributor given beside the fund's name. The list of distributor addresses and phone numbers begins on page 268.



Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	10.4%	4.7%	9.3%				
		FORBES bond and preferred stock composite	9.9%	6.1%	9.4%				
		Advantage Government Securities Fund/Advest	—*	2.3%	7.1%	$257	98%	4.00%r	$1.80‡
D	F	**Alliance Bond Fund-High Grade/Alliance**	7.4%	3.6	6.9	6	5	5.50	1.00p
		Alliance Bond Fund-High Yield/Alliance	—*	4.7	12.8	467	95	5.50	1.16‡
B	•F	**Alliance Bond Fund-Monthly Inc Shares/Alliance**	9.3	7.6	9.1	41	–7	5.50	1.14‡
		Alliance Bond Fund-US Gove.nment/Alliance	—*	7.0	10.9	496	284	5.50	1.14p
		Alliance Mortgage Securities Income/Alliance	—*	8.1	10.9	753	4	5.50	1.00‡
D	C	**AMA Income Fund-Classic Income/AMA Advisers**	8.5	3.8	6.5	39	96	none	1.65‡
		AMA Income Fund-Global Income/AMA Advisers	—*	—*	—*	15	—	none	1.93‡
		AMA Inc Fund-Global Short Term/AMA Advisers	—*	—*	—*	16	—	none	1.97‡

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Bond funds rated only if in operation since 12/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p: Net of partial absorption of expenses by fund sponsor. r: Includes back end load that reverts to distributor.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	10.4%	4.7%	9.3%				
		FORBES bond and preferred stock composite	9.9%	6.1%	9.4%				
B	C	American Capital Bond Fund/closed end	10.3%	2.9%	10.1%	$231	–3%	NA	$0.72‡
B	D	American Capital Corp Bond Fund/American Cap	9.5	6.6	11.4	136	23	4.75%	0.74‡
		American Capital Federal Mortgage/American Cap	—*	2.6	7.1	86	268	4.75	0.98‡
		American Capital Government Secs/American Cap	—*	3.2	7.5	8,847	24	6.75	0.60‡
		American Capital High Yield Inv/American Cap	—*	3.8	13.1	596	10	6.75	0.70‡
		American Funds Inc-US Govt Guar/American Funds	—*	6.1	9.9	362	163	4.75	1.00p
D	A	American Investors Income Fund/American Invest	10.7	7.9	13.0	23	–1	none	1.88‡
•C	•A	American National Bond Fund/Securities Mgmt	—*	3.4	8.4	10	26	5.00	0.98‡
B	D	AMEV Securities/closed end	9.4	8.0	10.0	111	0	NA	0.82‡
D	B	AMEV US Govt Securities Fund/AMEV Investors	9.9	6.4	9.7	104	131	4.50	1.00‡
A	C	Axe-Houghton Income Fund/Axe Securities	10.9	6.2	9.3	53	17	none	1.37‡
D	B	Babson Bond Trust/Jones & Babson	9.3	5.5	9.4	70	11	none	0.97p‡
		Bankers Systems Granit-Govt Secs/Bankers Sys	—*	3.6	7.2	9	481	none	0.50‡
		Bartlett Capital Trust-Fixed Income/Bartlett	—*	7.9	9.0	149	944	none	0.93‡
		Benham Government Income-GNMA/Benham	—*	7.0	8.9	300	41	none	0.74‡
		Benham Target Maturities-Series 1990/Benham	—*	18.5	6.7	6	22	none	0.70‡
		Benham Target Maturities-Series 1995/Benham	—*	13.2	11.5	5	22	none	0.70‡
		Benham Target Maturities-Series 2000/Benham	—*	13.9	8.8	5	16	none	0.70‡
		Bond Accumulation Fund/Investors Mgmt	—*	5.2	6.7	17	25	5.00	0.92‡
B	B	Bond Fund of America/American Funds	11.0	5.7	10.4	823	55	4.75	0.58‡
		Boston Co GNMA Fund/Boston Co	—*	5.6	8.3	16	94	none	0.65p
		Boston Co Managed Income Fund/Boston Co	—*	8.4	9.9	60	106	none	0.88‡
		Bull & Bear High Yield Fund/Bull & Bear	—*	–0.8	13.3	207	82	none	1.50‡
		Bull & Bear US Govt Guaranteed Secs/Bull & Bear	—*	8.7	9.7	47	431	none	1.50p
A	D	Bunker Hill Income Securities/closed end	10.2	12.4	11.9	49	6	NA	1.17p
		California Investment II-US Govt Secs/California I	—*	6.7	9.5	13	61	none	0.28p
		Calvert Fund-Income/Calvert	—*	0.9	9.2	23	8	4.50	0.85p
•D	•A	Capital Preservation Treasury Note/Benham	—*	2.7	6.7	38	33	none	0.93p
		Cardinal Government Guaranteed Fund/Ohio Co	—*	7.5	10.1	163	98	4.75	0.75p
		Carnegie Govt Secs-High Yield Govt/Carnegie	—*	5.3	7.3	48	115	4.50	1.26‡
		Cigna Government Securities/Cigna	—*	—*	—*	9	—	5.00	NA‡
		Cigna High Yield Fund/Cigna	—*	7.9	11.5	269	32	5.00	0.92‡
C	C	Cigna Income Fund/Cigna	10.2	4.5	8.6	258	5	5.00	0.82‡
C	B	Circle Income Shares/closed end	9.7	7.7	10.6	33	–1	NA	0.90‡
		Claremont Fund-Government Bond/Claremont Co	—*	3.7	6.5	6	103	none	2.00p
A	D	CNA Income Shares/closed end	10.3	6.8	11.1	83	26	NA	0.78p
		Colonial Govt Mortgage Trust/Colonial	—*	2.1	6.9	36	96	4.75	1.24‡
		Colonial Govt Securities Plus Trust/Colonial	—*	4.0	7.3	4,113	70	6.75	1.10p
B	B	Colonial High Yield Securities/Colonial	10.9	10.0	11.4	477	62	4.75	1.11‡
C	C	Colonial Income Trust/Colonial	9.5	6.6	11.3	175	14	4.75	1.11‡

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Bond funds rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Bond & Preferred

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	10.4%	4.7%	9.3%				
		FORBES bond and preferred stock composite	9.9%	6.1%	9.4%				
		Columbia Fixed Income Securities/Columbia	—*	6.5%	8.8%	$114	12%	none	$0.79‡
		Common Sense Trust-Government/American Cap	—*	—*	—*	11	—	8.50%	NA‡
C	D	Composite Income Fund/Murphey Favre	8.0%	8.9	10.8	119	–22	4.00	0.77p
		Composite US Govt Securities/Murphey Favre	—*	5.3	9.6	104	15	4.00	0.88‡
		Connecticut Mutual-Govt Secs/Conn Mutual	—*	8.0	8.9	25	29	6.25	1.20‡
		Connecticut Mutual-Income/Conn Mutual	—*	4.5	7.9	15	18	6.25	1.22‡
		Continental US Govt Plus Fund/Continental	—*	4.4	7.3	35	NM	5.50r	2.27‡
		Criterion Bond-Investment Quality/Criterion	—*	3.6	11.2	154	42	4.75	1.01‡
		Criterion Bond-US Govt High Yield/Criterion	—*	4.2	7.5	1,902	–10	4.75	1.03‡
		Criterion Income-Convertible Securities/Criterion	—*	—*	—*	16	—	4.75	NA‡
A	D	Current Income Shares/closed end	10.3	6.0	8.9	49	3	NA	0.90‡
		Dean Witter Govt Securities Plus/Dean Witter	—*	—*	—*	1,748	—	5.00r	1.56‡
		Dean Witter High Yield Secs/Dean Witter	—*	10.6	12.9	1,963	87	5.50	0.51‡
		Dean Witter US Govt Securities/Dean Witter	—*	6.6	9.7	11,410	18	5.00r	1.20‡
		Delaware Group Government-GNMA/Delaware	—*	6.2	10.3	87	149	4.75	1.00p
		Delaware Group Government-US Govt/Delaware	—*	3.8	9.9	68	90	4.75	1.00p
		Delaware Treasury Reserves-Investors/Delaware	—*	5.5	7.2	163	96	none	1.02p
A	C	Delchester Bond Fund/Delaware	10.4	10.9	12.2	387	203	6.75	0.80p
		Depositors Investment-Current Income/Putnam	—*	9.3	11.1	7	43	none	1.93‡
		Depositors Investment-Government Secs/Putnam	—*	9.0	9.4	11	73	none	NA‡
A+	D	Drexel Bond-Debenture Trading Fund/closed end	10.8	7.1	9.8	52	–2	NA	1.04
		Drexel Series-Bond-Debenture/Drexel	—*	3.5	7.4	24	72	5.00r	1.93‡
		Drexel Series-Government Securities/Drexel	—*	1.9	6.6	471	66	5.00r	1.87‡
D	A	Dreyfus A Bonds Plus/Dreyfus	9.9	4.5	9.2	272	22	none	0.84‡
		Dreyfus GNMA Fund/Dreyfus	—*	6.5	9.1	2,343	30	none	1.01‡
		Dreyfus Strategic Income/Dreyfus	—*	—*	—*	35	—	3.00	NA‡
		Dreyfus US Govt Intermediate Secs LP/Dreyfus	—*	—*	—*	6	—	none	NA‡
		Eaton Vance Govt Obligations Trust/Eaton Vance	—*	7.0	9.9	418	24	4.75	1.20‡
B	C	Eaton Vance High Yield/Eaton Vance	9.9	11.5	11.3	36	18	4.75	0.93‡
		Equitec Siebel High Yield Bond Fund/Equitec	—*	6.4	10.5	23	404	5.00r	2.47‡
		Equitec Siebel US Government Securities/Equitec	—*	6.8	8.8	93	529	5.00r	2.16‡
B	F	Excelsior Income Shares/closed end	8.3	5.0	9.0	39	–4	NA	0.93‡
		Federated Bond Fund/Federated	—*	3.2	9.6	12	757	none	0.91p
		Federated Floating Rate Trust/Federated	—*	—*	—*	84	—	none	0.50p
		Federated GNMA Trust/Federated	—*	7.5	9.8	2,553	144	none	0.51p
		Federated High Income Securities/Federated	—*	6.7	12.0	377	13	4.50	1.02p
		Federated High Yield Trust/Federated	—*	9.6	11.9	272	227	none	0.75p
		Federated Income Trust/Federated	—*	7.4	9.6	1,605	255	none	0.54p
		Federated Intermediate Government/Federated	—*	5.6	8.3	1,856	49	none	0.45p

Total return is for 9/30/86 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Bond funds rated only if in operation since 11/30/80. *Fund not in operation for full period. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1%. (hidden: load) pending or in force. a: All expenses absorbed by fund sponsor. p: Net of partial absorption of expenses by fund sponsor. r: Includes back end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Bond & Preferred

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	10.4%	4.7%	9.3%				
		FORBES bond and preferred stock composite	9.9%	6.1%	9.4%				
		Federated Short-Intermediate Govt/Federated	—*	5.7%	7.8%	$3,640	25%	none	$0.45p
		Federated US Government Fund/Federated	—*	2.2	8.6	7	59	none	0.96p
D	C	Fidelity Flexible Bond Fund/Fidelity	9.0%	2.5	9.6	373	49	none	0.69‡
		Fidelity Ginnie Mae/Fidelity	—*	6.6	8.5	878	46	none	0.75p
		Fidelity Global Bond Fund/Fidelity	—*	—*	—*	27	—	none	NAp
F	•B	Fidelity Government Securities Fund/Fidelity	—*	4.2	8.7	701	73	none	0.84‡
A	•B	Fidelity High Income Fund/Fidelity	—*	9.3	11.3	1,794	35	none	0.80
D	A+	Fidelity Intermediate Bond Fund[1]/Fidelity	11.1	4.3	5.5	358	22	none	0.75‡
		Fidelity Mortgage Securities/Fidelity	—*	6.4	9.1	611	–1	none	0.75p
		Fidelity Plymouth-Aggressive Income/Fidelity	—*	—*	—*	8	—	4.00%	1.10p
		Fidelity Short-Term Bond/Fidelity	—*	—*	—*	15	—	none	0.99p
		Financial Bond Shares-High Yield/Financial Prog	—*	8.8	11.5	43	19	none	0.83p
C	•C	Financial Bond Shares-Select Inc/Financial Prog	—*	5.1	9.8	22	12	none	0.91
		Financial Bond Shares-US Govt/Financial Prog	—*	4.5	7.3	7	89	none	1.23p
		Financial Independence-US Govt Secs[2]/MGF	—*	6.4	8.7	52	16	4.00	1.25p
		First Australia Prime Income Fund/closed end	—*	18.8	11.6	782	6	NA	1.17p
		First Boston Income Fund/closed end	—*	—*	—*	217	—	NA	NA
D	•A	First Investors Bond Appreciation/First Investors	—*	4.2	10.1	222	18	7.25	1.08‡
D	A	First Investors Fund for Income/First Investors	9.9	6.8	12.0	1,772	8	8.50	0.98‡
		First Investors Government Fund/First Investors	—*	4.9	8.1	355	168	7.25	1.22‡
		First Investors High Yield Fund/First Investors	—*	—*	—*	147	—	7.25	1.39‡
		First Trust Fund-US Government/First Trust	—*	8.1	8.5	313	142	4.75	0.46p
		Flex-funds-Bond Fund/Flex	—*	5.6	9.0	17	205	none	0.78p‡
A+	F	Fort Dearborn Income Securities/closed end	9.9	5.6	9.1	102	–3	NA	0.78p
		Fortress Convertible Securities & Income/Federated	—*	—*	—*	11	—	none	1.22‡
		FPA New Income Fund/Angeles Secs	—*	8.4	8.9	7	11	4.50	1.57‡
C	B	Franklin AGE High Income Fund/Franklin	10.8	5.9	12.7	1,693	116	4.00	0.57‡
		Franklin Convertible Securities Fund/Franklin	—*	—*	—*	5	—	4.00	NA
D	D	Franklin US Government Securities Fund/Franklin	7.6	8.2	10.6	14,274	10	4.00	0.53‡
		Freedom Investment-Govt Plus/Tucker	—*	5.2	8.9	175	613	3.00r	1.26‡
		Freedom Investment II-Global Inc Plus/Tucker	—*	—*	—*	25	—	3.00r	2.41‡
C	D	Fund for US Govt Securities/Federated	8.5	7.9	9.2	1,136	26	4.50	0.95p
		FundTrust-Income/Furman Selz	—*	5.0	8.9	57	208	none	1.28‡
		GIT Income Trust-A-Rated Income/GIT	—*	3.5	8.3	8	3	none	1.41‡
		GIT Income Trust-Maximum Income/GIT	—*	3.1	11.1	15	–5	none	1.39‡
		GNMA Income Trust/Reich & Tang	—*	5.2	9.6	7	128	none	0.25p
		Government Income Securities/Federated	—*	7.7	9.4	2,551	415	2.50r	0.95p
B	D	John Hancock Bond Trust/Hancock	8.9	5.7	9.8	1,150	6	8.50	0.72p
		John Hancock High Income-Fixed Income/Hancock	—*	—*	—*	34	—	5.75	1.00p
A	D	John Hancock Income Securities/closed end	9.9	6.2	9.7	149	–2	NA	0.62p

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Bond funds rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p: Net of partial absorption of expenses by fund sponsor. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Formerly Fidelity Thrift Trust. [2]Formerly Midwest Group-IG US Govt Secs.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Bond & Preferred

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	10.4%	4.7%	9.3%				
		FORBES bond and preferred stock composite	9.9%	6.1%	9.4%				
C	B	John Hancock Investors/closed end	10.5%	5.5%	9.5%	$148	–3%	NA	$0.61p
		John Hancock US Govt Guaranteed Mort/Hancock	—*	6.3	10.2	441	37	8.50%	0.91p
D	A	John Hancock US Govt Securities/Hancock	8.6	3.5	8.4	214	29	8.50	0.90p
B	B	Hatteras Income Securities/closed end	10.6	6.8	13.5	51	–4	NA	0.95p
		Heartland US Government Fund/Milwaukee Co	—*	—*	—*	7	—	4.50	NA‡
		Heritage Convertible Inc-Growth Trust/James	—*	—*	—*	23	—	5.00	1.75p
		High Yield Securities/AIM	—*	7.7	11.9	86	–3	4.75	1.01‡
		Home Investors Govt Guaranteed Inc/Integrated	—*	5.5	8.4	209	25	5.00r	1.74‡
		Hutton Investment-Bond & Income/Hutton	—*	2.3	10.4	485	54	5.00r	1.62‡
		Hutton Investment-Government Securities/Hutton	—*	2.1	11.0	6,234	43	5.00r	1.56‡
		IAI Bond Fund[1]/IAI Funds	—*	4.6	8.5	41	16	none	0‡
		IAI Reserve Fund[2]/IAI Funds	—*	5.4	5.3	35	7	none	0.80‡
B	B	IDS Bond Fund/IDS	10.9	6.1	9.0	1,889	7	3.50	0.73‡
		IDS Extra Income Fund/IDS	—*	8.0	10.5	1,105	37	5.00	0.80‡
		IDS Federal Income Fund/IDS	—*	6.2	8.0	181	–10	5.00	0.87‡
B	C	IDS Selective Fund/IDS	10.5	6.5	8.8	1,187	9	5.00	0.74‡
		IDS Strategy Fund-Income/IDS	—*	7.5	7.7	150	65	5.00r	1.64‡
C	C	INA Investment Securities/closed end	9.6	3.3	9.4	88	–4	NA	0.92
A	D	Independence Square Income Secs/closed end	10.1	6.0	9.6	30	–3	NA	0.90‡
		Industrial Series-Govt Secs Plus/Mackenzie	—*	–1.4	2.9	18	–21	6.75	1.50p
		Integrated Income-Convertible Secs/Integrated	—*	—*	—*	26	—	4.75	0.50p
		Integrated Income-High Yield/Integrated	—*	—*	—*	12	—	4.75	1.50p
		Integrated Income Plus Fund/Integrated	—*	—*	—*	17	—	5.00r	1.85p
		Integrated Tax Free-US Tax Free Income/Integrated	—*	—*	—*	12	—	4.75	0.73p
A	D	InterCapital Income Securities/closed end	10.4	7.1	10.8	212	–1	NA	0.66p
		Investment Portfolios-Govt Plus/Kemper	—*	4.2	9.2	6,247	66	5.00r	2.03‡
		Investment Portfolios-High Yield/Kemper	—*	12.6	9.1	316	145	5.00r	2.18‡
		Investment Trust of Boston-High Inc Plus/ITB	—*	6.1	11.3	21	–9	6.75	1.49‡
C	B	Investors Income Fund/Tenneco	9.8	10.2	9.1	24	35	4.50	1.44‡
F	A	ISI Income Fund/Sigma	9.0	–10.1	6.4	4	–36	8.50	1.92‡
		JP Income Fund/Jefferson-Pilot	—*	5.3	8.9	18	–7	8.00	0.91‡
A	•B	Kemper High Yield Fund/Kemper	—*	13.4	10.8	445	46	5.50	0.70‡
C	C	Kemper Income & Capital Preservation/Kemper	9.5	5.8	10.3	254	41	5.50	0.64‡
C	•C	Kemper US Govt Securities/Kemper	—*	6.6	10.6	4,377	125	4.50	0.51‡
C	B	Keystone Custodian B-1/Keystone	9.8	2.3	9.1	523	172	4.00b	1.00‡
C	A	Keystone Custodian B-2/Keystone	11.0	4.8	9.8	932	119	4.00b	1.00‡
D	A	Keystone Custodian B-4/Keystone	11.0	4.1	11.8	1,495	–4	4.00b	0.86‡
		Kidder Peabody Government Income Fund/Kidder	—*	6.9	7.7	158	26	5.00r	1.92‡
		Kleinwort Benson Australian Income/closed end	—*	—*	—*	66	—	NA	NA
		Kleinwort Benson Transatlantic Income/Kleinwort	—*	—*	—*	6	—	none	NA‡

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Bond & Preferred

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	10.4%	4.7%	9.3%				
		FORBES bond and preferred stock composite	9.9%	6.1%	9.4%				
		Landmark US Govt Inc Fund/Landmark Funds	—*	—*	—*	$51	—	none	a‡
		Lazard Frères-Bond Fund/Lazard Frères	—*	—*	—*	5	—	none	NA‡
D	C	Lexington GNMA Income Fund/Lexington	7.6%	8.6%	8.9%	129	12%	none	$0.86‡
D	C	Liberty Fund/Neuberger	8.9	12.9	8.8	11	8	none	1.98‡
B	A+	Lincoln National Direct Placement/closed end	14.2	12.4	8.7	67	–2	NA	0.84‡
D	A	Lord Abbett Bond-Debenture Fund/Lord Abbett	11.4	7.1	11.1	802	49	7.25%	0.61‡
D	A	Lord Abbett US Government Securities/Lord Abbett	10.8	6.4	11.4	659	208	4.75	0.82‡
C	C	Mass Financial Bond Fund/Mass Finl	9.8	4.2	10.2	310	0	7.25	0.68‡
C	•B	Mass Financial High Income-Series I/Mass Finl	—*	8.3	13.1	1,222	45	††	0.71‡
		Mass Financial International-Bond/Mass Finl	—*	19.7	6.9	149	26	7.25	1.17‡
B	A+	MassMutual Corporate Investors/closed end	16.4	11.9	10.8	143	2	NA	2.44‡
D	B	MassMutual Income Investors/closed end	9.3	7.4	10.5	122	–2	NA	0.93‡
		Maxus Fund/Affiliated Inv	—*	5.2	5.0	12	15	none	2.95‡
		Meeschaert International Bond/Meeschaert	—*	—*	—*	9	—	4.00b	NA‡
C	•B	Merrill Lynch Corp Bond-High Income/ML Funds	—*	9.6	11.4	835	58	4.00	0.68‡
		Merrill Lynch Corp Bond-High Quality/ML Funds	—*	4.7	8.8	269	39	4.00	0.62‡
		Merrill Lynch Corp Bond-Intermediate/ML Funds	—*	4.3	8.5	122	29	2.00	0.66‡
		Merrill Lynch Federal Securities/ML Funds	—*	5.6	8.6	6,985	9	6.25	0.48‡
		Merrill Lynch Retirement Global Bond/ML Funds	—*	—*	—*	363	—	4.00r	1.00p
		Merrill Lynch Retirement/Income Fund/ML Funds	—*	4.7	8.1	2,162	102	4.00r	0.67p
		MetLife-State Street Government Income/MetLife	—*	—*	—*	2,808	—	none	1.07‡
		MetLife-State Street Government Secs/MetLife	—*	—*	—*	25	—	4.50	1.25p
		MetLife-State Street High Income/MetLife	—*	—*	—*	28	—	4.50	1.25p
		MFS Government Guaranteed Secs/Mass Finl	—*	5.2	9.4	459	20	4.75	1.18‡
		MFS Government Markets Income Trust/closed end	—*	—*	—*	896	—	NA	NA‡
		MFS Government Securities High Yield/Mass Finl	—*	3.1	7.9	1,125	391	4.75	1.31‡
		MFS Lifetime Government Income Plus/Mass Finl	—*	—*	—*	963	—	6.00r	2.06‡
		MFS Lifetime High Income Trust/Mass Finl	—*	—*	—*	74	—	6.00r	2.22‡
		MFS Lifetime Managed Municipal Bond/Mass Finl	—*	—*	—*	147	—	6.00r	2.09‡
		MFS Multimarket Income Trust/closed end	—*	—*	—*	1,097	—	NA	0.94‡
		MidAmerica High Yield Fund/MidAmerica	—*	4.1	10.2	10	186	5.50	0.75p
		MidAmerica Tax Exempt Bond Fund/MidAmerica	—*	4.3	7.0	7	209	5.50	0.75p
		Midwest Income-Intermediate Term Govt/MGF	—*	4.2	7.6	60	5	2.00	1.04‡
		Mimlic Mortgage Securities Income Fund/Mimlic	—*	6.8	8.7	14	25	5.00	0.60p
B	D	Montgomery Street Income Securities/closed end	9.5	6.8	10.3	153	–3	NA	0.82p
		Mutual of Omaha America Fund/Mutual of Omaha	—*	3.3	8.5	56	66	none	0.98p
B	D	Mutual of Omaha Interest Shares/closed end	9.1	7.1	10.6	90	–2	NA	0.80
D	B	National Bond Fund/National Secs	9.1	–0.5	15.6	823	74	7.25	0.96p
		National Federal Securities Trust/National Secs	—*	–0.5	11.5	1,240	22	6.75	0.81p
B	B	National Preferred Fund/National Secs	12.0	5.2	9.0	6	40	7.25	1.50p

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Bond & Preferred

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	21.1%	3.2%				
		FORBES bond and preferred stock composite	9.9%	6.1%	9.4%				
		National Premium Income Fund Inc/National Secs	—*	10.9%	5.9%	$15	NM	6.75%	$1.00p
		National Real Estate-Income Fund/National Secs	—*	—*	—*	6	—	7.75	NA‡
•C	•D	Nationwide Bond Fund/Nationwide	—*	3.3	9.2	35	103%	7.50	0.68‡
		Neuberger & Berman Ltd Maturity Bond/Neuberger	—*	5.1	6.6	108	NM	none	0.50‡
		New Beginning Yield Fund/Sit	—*	6.8	7.6	9	58	none	1.00p
D	C	New England Bond Income Fund[1]/New England	8.3%	6.0	8.5	59	27	6.50	1.02‡
		New England Government Secs Fund[2]/New England	—*	2.0	7.6	202	26	6.50	0.94p
D	C	Newton Income Fund/Newton	6.8	4.0	8.1	14	27	none	1.47‡
C	D	Nicholas Income Fund/Nicholas	7.8	7.7	9.3	72	50	none	0.96‡
A+	C	Northeast Investors Trust/Northeast Inv	11.4	10.7	10.8	361	25	none	0.72‡
		Oppenheimer Asset Allocation[3]/Oppenheimer Inv	—*	—*	—*	32	—	4.75	NA‡
		Oppenheimer Bond Fund/Oppenheimer Inv	—*	4.9	8.8	9	98	none	0.75‡
		Oppenheimer GNMA Fund/Oppenheimer Inv	—*	—*	—*	58	—	4.75	a‡
		Oppenheimer High Income Fund/Oppenheimer Inv	—*	12.5	10.1	21	476	none	0.75‡
C	•D	Oppenheimer High Yield Fund/Oppenheimer Inv	—*	10.6	12.6	761	21	6.75	0.86‡
		Oppenheimer US Government/Oppenheimer Inv	—*	5.1	8.7	216	35	6.75	0.99‡
A	C	Pacific American Income Shares/closed end	10.8	7.4	9.5	93	–2	NA	0.87‡
		Pacific Horizon-High Yield Bond/Dreyfus	—*	9.1	11.7	30	31	4.50	0.16‡
		PaineWebber Fixed Inc-GNMA/PaineWebber	—*	6.1	9.6	2,848	5	4.25	0.66‡
		PaineWebber Fixed Inc-High Yield/PaineWebber	—*	6.9	12.1	832	90	4.25	0.69‡
		PaineWebber Fixed Inc-Invest Grade/PaineWebber	—*	3.7	10.0	681	161	4.25	0.68‡
		PaineWebber Master Global Income/PaineWebber	—*	—*	—*	677	—	5.00r	2.15‡
		PaineWebber Master Series Income/PaineWebber	—*	3.7	9.7	450	64	5.00r	1.54p
		Phoenix High Quality Bond Fund/Phoenix	—*	1.4	7.7	19	19	7.00	0.88p
		Phoenix High Yield Fund/Phoenix	—*	7.6	12.8	154	68	7.00	0.72p
		Pilgrim GNMA Fund/Pilgrim	—*	5.3	9.8	288	30	1.50	1.00‡
C	B	Pilgrim High Yield Trust/Pilgrim	10.7	9.0	12.0	53	286	1.50	1.50p
		Pilgrim Preferred Fund/Pilgrim	—*	6.7	10.9	197	257	1.50	1.14‡
		Pioneer Bond Fund/Pioneer	—*	4.5	9.0	51	70	4.50	0.86‡
		T Rowe Price GNMA Fund/Price	—*	6.5	9.0	352	68	none	1.00p
		T Rowe Price High Yield Fund/Price	—*	8.5	11.9	902	27	none	0.99p
		T Rowe Price International Bond Fund/Price	—*	—*	—*	202	—	none	1.25p
F	A	T Rowe Price New Income Fund/Price	9.8	3.4	8.3	823	–12	none	0.65p
		T Rowe Price Short-Term Bond Fund/Price	—*	5.1	7.5	221	76	none	0.94p
		Principal Preservation-Government Plus/Ziegler	—*	3.4	7.6	33	36	4.50	0.70p
		Princor Government Securities Income/Princor	—*	6.9	8.5	66	51	5.00	0.96p
		Prudential-Bache Equity Income/Pru-Bache	—*	—*	—*	87	—	5.00r	2.10p
		Prudential-Bache GNMA Fund/Pru-Bache	—*	6.7	7.7	289	8	5.00r	1.39‡

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Bond & Preferred

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	21.1%	3.2%				
		FORBES bond and preferred stock composite	9.9%	6.1%	9.4%				
		Prudential-Bache Government Plus/Pru-Bache	—*	3.7%	6.7%	$3,865	–1%	5.00%r	$1.53‡
		Prudential-Bache Government Plus II/Pru-Bache	—*	—*	—*	232	—	5.00r	0.73p
		Prudential-Bache Govt Secs-Inter Term/Pru-Bache	—*	5.0	8.9	914	47	none	0.75‡
C	•C	Prudential-Bache High Yield Fund/Pru-Bache	—*	9.1	10.4	2,227	69	5.00r	1.19‡
		Putnam GNMA Plus Trust/Putnam	—*	2.0	12.4	2,273	NM	4.75	0.96‡
		Putnam High Income Government Trust/Putnam	—*	3.0	8.8	1,171	–69	6.75	0.82‡
B	•D	Putnam High Yield Trust/Putnam	—*	9.3	12.8	2,332	–4	††	0.57‡
		Putnam High Yield Trust II/Putnam	—*	6.5	11.4	299	228	6.75	NA‡
B	C	Putnam Income Fund/Putnam	9.9%	4.8	11.3	296	57	6.75	0.73‡
		Putnam US Govt Guaranteed Securities/Putnam	—*	8.9	10.1	1,245	33	4.75	0.56‡
F	A	Revere Fund/closed end	8.8	–3.2	10.8	38	–11	NA	1.45‡
		Rightime Fund-Govt Securities/Lincoln Invest	—*	—*	—*	8	—	none	a‡
		LF Rothschild Investment Grade Income/Rothschild	—*	—*	—*	16	—	3.00	1.25‡
		Royce Fund-High Yield/Quest	—*	3.5	11.6	18	82	1.00b,r	1.30‡
		RPF of America-Bond Fund/Venture	—*	5.3	9.2	72	52	5.00b	1.14‡
		Rushmore Fund-Ginnie Mae/Rushmore	—*	4.3	8.4	11	50	none	0.75‡
		Safeco US Government Securities/Safeco	—*	4.3	8.8	22	345	none	1.05‡
		St Clair Fixed Income-Intermediate Bond/Fairfield	—*	—*	—*	5	—	none	NA‡
		Scudder Government Mortgage Securities/Scudder	—*	6.8	8.8	262	44	none	1.05‡
C	C	Scudder Income Fund/Scudder	9.0	5.5	9.0	251	27	none	0.88‡
		Scudder Target Fund-General 1990/Scudder	—*	5.5	5.3	15	–2	none	1.25‡
		Scudder Target Fund-General 1994/Scudder	—*	7.5	6.3	8	35	none	1.45‡
		Scudder Target Fund-Government 1990/Scudder	—*	2.5	4.8	5	–12	none	1.41‡
		Security Income Fund-Corporate Bond/Security	—*	6.0	10.5	46	6	4.75	1.04‡
		Security Income Fund-High Yield/Security	—*	—*	—*	10	—	4.75	1.00‡
		Seligman High Inc-High Yield Bond/Seligman	—*	6.0	11.5	78	48	4.75	1.08p
		Seligman High Inc-Secured Mortgage/Seligman	—*	4.6	8.3	47	–4	4.75	1.06p
		Seligman High Inc-US Govt Guaranteed/Seligman	—*	–3.6	7.4	148	177	4.75	0.61‡
•C	•C	Sentinel Bond Fund/Equity Services	9.3	6.0	9.5	25	23	8.50	0.69‡
		Sentinel Government Securities Fund/Equity Service	—*	—*	—*	22	—	8.50	0.71‡
		Shearson High Yield Fund/Shearson	—*	8.4	11.3	563	17	5.00	0.78‡
		Shearson Lehman-Global Bond/Shearson	—*	—*	—*	163	—	5.00r	0.51‡
		Shearson Lehman-High Income Bond/Shearson	—*	—*	—*	206	—	5.00r	1.61p
		Shearson Lehman-Intermediate Govt Secs/Shearson	—*	3.6	6.1	41	16	5.00r	1.93‡
		Shearson Lehman-Long Term Government/Shearson	—*	2.7	6.5	1,719	35	5.00r	1.55‡
		Shearson Lehman-Mortgage Securities/Shearson	—*	—*	—*	57	—	5.00r	1.00p
		Shearson Lehman-Precious Metals & Mins/Shearson	—*	—*	—*	71	—	5.00	0.52p
		Shearson Managed Governments/Shearson	—*	6.8	8.5	1,403	–3	5.00	0.72p
		Sigma Income Shares/Sigma	—*	7.2	8.2	34	21	8.50	0.82‡
		Smith Barney-Income Return/Smith Barney	—*	5.3	8.8	66	67	1.25	0.28p

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Bond funds rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. ††Closed to new investors. a: All expenses absorbed by fund sponsor. p: Net of partial absorption of expenses by fund sponsor. b: Includes back end load that reverts to fund. r: Includes back end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful.

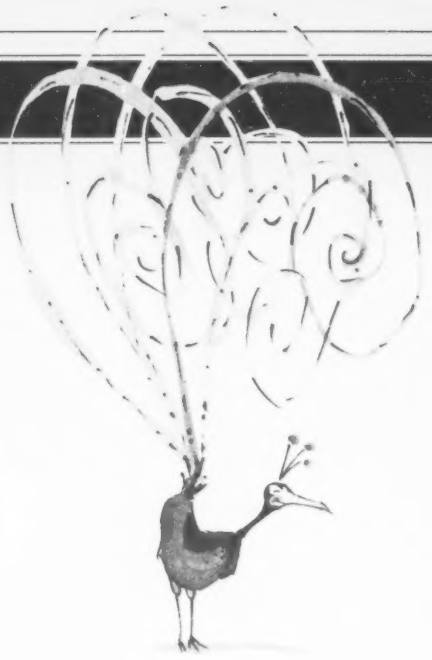
Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Bond & Preferred

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-87	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	15.7%	21.1%	3.2%				
		FORBES bond and preferred stock composite	9.9%	6.1%	9.4%				
		Smith Barney-Monthly Pay Govt/Smith Barney	—*	6.0%	9.8%	$25	388%	4.00%	$0.26p
		Smith Barney-US Government/Smith Barney	—*	6.5	10.9	465	13	4.00	0.35p
		State Bond US Government Securities/State Bond	—*	6.1	8.4	12	95	5.00	1.00‡
D	B	State Mutual Securities/closed end	9.7%	6.9	10.3	93	–1	NA	0.80‡
		SteinRoe Governments Plus/Stein Roe	—*	4.2	7.5	23	89	none	1.00p
		SteinRoe High-Yield Bonds/Stein Roe	—*	7.8	10.1	92	188	none	1.00p
•A	•D	↑ SteinRoe Managed Bonds/Stein Roe	—*	3.5	8.5	189	3	none	0.69p
		Strong Government Securities Fund/Strong	—*	—*	—*	6	—	none	0.60p
		Strong Income Fund/Strong	—*	8.3	9.9	180	300	none	0.90
		Thomson McKinnon Investment-Income/Thomson	—*	8.5	10.6	426	37	5.00r	1.60‡
		Thomson McKinnon Investment-US Govt/Thomson	—*	5.0	9.0	878	262	5.00r	1.70‡
A+	D	Transamerica Income Shares/closed end	10.8	7.0	10.0	120	–3	NA	0.66‡
		20th Century Long-Term Bond/20th Century	—*	—*	—*	6	—	none	NA‡
		20th Century T-E Intermediate/20th Century	—*	—*	—*	7	—	none	NA‡
		20th Century Tax-Exempt Long Term/20th Century	—*	—*	—*	5	—	none	NA‡
		20th Century US Govt Investors/20th Century	—*	5.1	8.2	336	84	none	1.01‡
		UMB Bond Fund/Jones & Babson	—*	4.8	3.6	31	53	none	0.88‡
A	D	United Bond Fund/Waddell & Reed	9.8	5.8	8.6	322	–6	8.50	0.64
		United Government Securities/Waddell & Reed	—*	1.3	9.0	176	31	4.00	0.72‡
B	•D	United High Income Fund/Waddell & Reed	—*	9.1	12.5	1,310	11	††	0.76p
		United High Income Fund II/Waddell & Reed	—*	—*	—*	147	—	8.50	0.77p
		USAA Mutual-Income Fund/USAA	10.9	7.8	9.2	269	35	none	0.65p
B	C	USLife Income Fund/closed end	10.0	–2.2	12.3	52	–11	NA	1.29p
		UST Master Funds-Managed Income/Boston Co	—*	10.4	8.0	8	182	none	0.81p
		Value Line Aggressive Income Trust/Value Line	—*	6.4	12.8	66	258	none	1.33p
		Value Line US Government Securities/Value Line	—*	6.8	10.3	219	130	none	0.73p
		Van Kampen Merritt High Yield Fund/Van Kampen	—*	12.9	9.7	120	NM	4.90	0.85‡
		Van Kampen Merritt US Government/Van Kampen	—*	6.4	9.0	5,305	85	4.90	0.56‡
		Vanguard Bond Market Fund/Vanguard	—*	—*	—*	27	—	none	NA‡
		Vanguard Convertible Securities Fund/Vanguard	—*	6.1	5.4	108	NM	none	0.80‡
		Vanguard Fixed Income Secs-GNMA/Vanguard	—*	7.1	9.6	2,307	44	none	0.38‡
C	•C	Vanguard Fixed Income Secs-High Yield/Vanguard	—*	9.5	11.5	1,207	18	none	0.45‡
C	B	Vanguard Fixed Income Secs-Invest Grade/Vanguard	9.9	5.8	9.9	613	44	none	0.41‡
		Vanguard Fixed Income Secs-Short Term/Vanguard	—*	6.1	7.6	426	58	none	0.28‡
		Vanguard Fixed Income Secs-US Treasury/Vanguard	—*	–0.3	8.2	43	NM	none	0.35‡
A	C	Vanguard Qualified Dividend II/Vanguard	10.3	7.4	9.0	142	17	none	0.58‡
		Vanguard Qualified Dividend III/Vanguard	—*	6.3	6.3	126	–6	none	0.42‡
•B	•A	Venture Income (+) Plus/Venture	—*	5.6	10.7	72	15	8.50	1.14‡
B	B	Vestaur Securities/closed end	11.2	5.8	9.1	88	–3	NA	0.90‡
		WPG Government Securities Fund/Weiss, Peck	—*	4.7	5.8	71	179	none	1.16‡
		Yes Fund/Furman Selz	—*	1.9	10.4	116	–39	3.75	1.17‡

Total return is for 9/30/76 to 6/30/87. Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Bond funds rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Fund has shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. ††Closed to new investors. p: Net of partial absorption of expenses by fund sponsor. r: Includes back end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 268.



Municipal bond funds

Municipal bond funds in existence since June 1984 are graded for their three-year performance. It has been a mostly bullish period for the bond market, with declining interest rates. As a result, the funds with the biggest exposure to interest rate risk—that is, the ones with the longest-maturity bonds in their portfolios—have done the best. Shorter-term funds, taking less risk, haven't enjoyed the same performance since 1984. But if interest rates shoot up, forcing bond prices down, the shorter-term funds will suffer the least damage. Short-term and intermediate-term funds shouldn't be penalized for their caution; they are delivering what their shareholders expect of them. For this reason, we have adjusted the raw performance scores to put the funds on a more equal footing. A short-term fund that has done better than comparable short-term funds can get an A, even though it falls short of many long-term funds in total return. For similar reasons, we have awarded bonus points to funds with California-only and New York-only portfolios. Bonds from those states are a bit lower in yield, but they have tax advantages to residents of those states. Thanks to that adjustment, several of the double-tax-free funds got As. Our raw performance data for three-year performance come from Lipper Analytical Services. Other data are from CDA Investment Technologies.

Investment results

Three-year performance	Fund/distributor	Date started	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Maximum sales charge	Annual expenses per $100
	Shearson Lehman municipal bond index		8.6%	7.9%				
	FORBES municipal bond composite		5.8%	7.1%				
	Alliance Insured Calif Tax-Exempt Shares/Alliance	11/85	4.5%	7.6%	$26	96%	4.00%	$0.01p
	Alliance Tax-Free High Income/Alliance	12/86	—*	—*	12	—	4.00	a‡
	Alliance Tax-Free Income-New York/Alliance	12/86	—*	—*	7	—	4.00	a‡
	Alliance Tax-Free Shares/Alliance	2/77	7.7	7.7	109	6	4.00	0.86‡
	American Capital Calif Tax-Exempt/American Cap	1/86	4.0	7.2	13	50	4.75	0.70‡
C	American Capital Muni Bond Fund/American Cap	11/76	–1.4	8.1	187	31	4.75	0.62‡
	American Capital Tax-Exempt-Hi Yield/American Cap	1/86	1.5	8.8	172	101	4.75	0.55p
	American Capital Tax-Exempt-Insured/American Cap	1/86	1.2	7.2	22	19	4.75	0.63p
	American Capital Tax-Exempt-N Y/American Cap	1/86	2.4	7.3	11	110	4.75	0.80p
	American Funds T-E Series I-Maryland/American Fund	8/86	—*	—*	22	—	4.75	NA‡
	American Funds T-E Series I-Virginia/American Fund	8/86	—*	—*	21	—	4.75	0.49p
	American Funds T-E Series II-Calif/American Fund	10/86	—*	—*	28	—	4.75	NA‡
	AMEV Tax-Free Fund-Minnesota/AMEV Investors	6/86	4.8	6.5	7	509	4.50	1.00p
	AMEV Tax-Free Fund-National/AMEV Investors	6/86	6.0	6.5	14	750	4.50	1.00p
C	Babson Tax-Free Income-Long Term/Jones & Babson	2/80	4.4	7.3	22	5	none	1.00p
C	Babson Tax-Free Income-Short Term/Jones & Babson	2/80	6.9	6.0	16	22	none	1.00p
	Benham Calif Tax-Free-Insured/Benham	1/87	—*	—*	10	—	none	NAp
C	Benham Calif Tax-Free-Intermediate/Benham	11/83	5.3	6.2	166	57	none	0.70p
C	Benham Calif Tax-Free-Long-Term/Benham	11/83	4.5	7.3	186	16	none	0.67p

Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Municipal bond funds rated only if in operation since 6/30/84. *Fund not in operation for full period. ‡Fund has shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p: Net of partial absorption of expenses by fund sponsor. a: All expenses absorbed by fund sponsor. NA: Not applicable or not available.

Data sources: CDA Investment Technologies, Lipper Analytical Services

Table of distributors, showing addresses and phone numbers, begins on page 268.

Three-year performance	Fund/distributor	Date started	Investment results: Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Maximum sales charge	Annual expenses per $100
	Shearson Lehman municipal bond index		**8.6%**	**7.9%**				
	Forbes municipal bond composite		**5.8%**	**7.1%**				
	Benham Calif Tax-Free-High Yield/Benham	1/87	—*	—*	$8	—	none	a
	Benham National Tax-Free-Intermediate/Benham	7/84	6.5%	6.4%	20	71%	none	$0.50p
	Benham National Tax-Free-Long Term/Benham	8/84	3.6	7.5	24	16	none	0.26p
	Boston Co Tax-Free Muni-Bond/Boston Co	10/85	8.5	6.7	9	46	none	0.75‡
	Boston Co Tax-Free Muni-Mass Bond/Boston Co	9/85	6.4	6.7	15	99	none	0.75‡
A	**Bull & Bear Tax-Free Income Fund/Bull & Bear**	3/84	6.7	7.4	13	32	none	1.18‡
	California Investment-Tax-Free Income/Calif Invest	12/85	7.8	7.8	38	202	none	0.23p
	California Muni Fund/Fundamental	11/84	3.0	7.8	7	28	none	1.14‡
B	**California Tax Exempt Bonds/National Secs**	5/83	6.4	7.7	90	35	4.50%	0.56p
A	**Calvert Tax-Free Reserves-Limited/Calvert**	4/81	5.7	5.7	204	90	none	0.81‡
C	**Calvert Tax-Free Reserves-Long Term/Calvert**	9/83	5.5	10.2	70	8	none	0.85‡
	Carnegie Tax Exempt Income-Georgia Ins/Carnegie	3/86	5.3	7.0	10	151	4.50	0.32‡[1]
	Carnegie Tax Exempt Income-Minnesota Ins/Carnegie	3/86	4.1	7.0	9	617	4.50	0.31‡[1]
	Carnegie Tax Exempt Income-Natl High Yld/Carnegie	9/86	—*	—*	13	—	4.50	0.17‡[1]
	Carnegie Tax Exempt Income-National Ins/Carnegie	3/86	4.6	7.0	7	46	4.50	0.41‡[1]
	Carnegie Tax Exempt Income-Ohio General/Carnegie	9/86	—*	—*	14	—	4.50	0.05‡[1]
	Carnegie Tax Exempt Income-Ohio Ins/Carnegie	3/86	2.6	6.9	12	707	4.50	0.23‡[1]
B	**Cigna Municipal Bond Fund/Cigna**	3/77	5.1	7.4	262	12	5.00	0.78‡
	Colonial California Tax-Exempt Trust/Colonial	6/86	4.2	8.0	114	NM	none	a‡
	Colonial Michigan Tax-Exempt Trust/Colonial	9/86	—*	—*	18	—	4.75	a‡
	Colonial Minnesota Tax-Exempt Trust/Colonial	9/86	—*	—*	13	—	4.75	a‡
	Colonial Municipal Income Trust/closed end	3/87	—*	—*	239	—	NA	NA‡
	Colonial New York Tax-Exempt Trust/Colonial	9/86	—*	—*	23	—	4.75	a‡
	Colonial Ohio Tax-Exempt Trust/Colonial	9/86	—*	—*	23	—	4.75	a‡
A	**Colonial Tax-Exempt-High Yield Fund/Colonial**	11/78	7.1	7.8	1,370	19	4.75	1.05‡
	Colonial Tax-Exempt-Insured Fund/Colonial	12/85	4.3	6.9	119	62	4.75	1.10p
	Columbia Municipal Bond Fund/Columbia	7/84	6.0	7.0	124	53	2.00b	0.65‡
A	**Composite Tax-Exempt Bond Fund/Murphey Favre**	1/77	6.0	7.3	86	26	4.00	0.79‡
	Counsellors New York Municipal Bond Fund/Warburg	4/87	—*	—*	6	—	none	0.50‡
C	**Country Capital Tax Exempt Bond/Country Capital**	11/78	6.1	6.3	13	102	5.00	1.04‡
	Criterion Tax-Free High Yield/Criterion	8/86	—*	—*	16	—	4.75	0.56p
	Criterion Tax Free Insured Quality/Criterion	6/83	1.9	6.9	32	13	4.75	1.29‡
	DBL Tax-Free Fund-Limited Term/Drexel	4/85	6.8	6.5	85	40	1.50	0.74‡
	DBL Tax-Free Fund-Long Term/Drexel	7/86	—*	—*	57	—	4.25	1.00‡
	Dean Witter Calif Tax-Free Income/Dean Witter	7/84	7.8	6.4	380	40	5.00r	1.32‡
	Dean Witter NY Tax-Free Income Fund/Dean Witter	4/85	6.5	6.5	120	30	5.00r	1.41‡
A	**Dean Witter Tax-Exempt Secs/Dean Witter**	3/80	6.9	7.9	995	36	4.00	0.56‡
C	**DMC Tax-Free Income-Trust-PA/Delaware**	3/77	6.4	7.5	429	75	4.75	0.75‡

Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Municipal bond funds rated only if in operation since 6/30/84. *Fund not in operation for full period. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p: Net of partial absorption of expenses by fund sponsor. b: Includes back end load that reverts to fund. r: Includes back end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful. [1]12b-1 plan in effect when assets exceed $20 million.

Data sources: CDA Investment Technologies, Lipper Analytical Services

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Municipal Bond

Three-year performance	Fund/distributor	Date started	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
	Shearson Lehman municipal bond index		8.6%	7.9%				
	Forbes municipal bond composite		5.8%	7.1%				
A	DMC Tax-Free Income-USA/Delaware	1/84	6.5%	8.0%	$361	75%	4.75%	$0.76‡
	DMC Tax-Free Income-USA Insured/Delaware	3/85	6.0	7.1	44	57	4.75	0.73p
	Double Exempt Capital Conservation Fund/Voyageur	10/85	5.2	5.5	26	129	2.25	0.89p
B	Double Exempt Flex Fund/Voyageur	2/84	8.0	7.2	125	69	4.00	0.79
C	Dreyfus California Tax Exempt Bond/Dreyfus	7/83	5.7	7.4	1,230	25	none	0.70
C	Dreyfus General Tax Exempt Bond Fund/Dreyfus	3/84	2.7	7.7	43	5	none	0.77p
	Dreyfus Insured Tax Exempt Bond Fund/Dreyfus	6/85	3.9	7.1	193	28	none	0.84‡
C	Dreyfus Intermediate Tax Exempt Bond/Dreyfus	8/83	7.8	7.2	1,135	21	none	0.71
	Dreyfus Massachusetts Tax Exempt Bond/Dreyfus	6/85	4.8	7.1	86	55	none	0.64
	Dreyfus NY Insured Tax Exempt Bond Fund/Dreyfus	2/87	—*	—*	17.2	—*	none	a
B	Dreyfus NY Tax Exempt Bond Fund/Dreyfus	7/83	6.0	7.4	1,584	29	none	0.71
	Dreyfus Short-Intermediate Tax Exempt/Dreyfus	4/87	—*	—*	9	—	none	NA‡
C	Dreyfus Tax Exempt Bond Fund/Dreyfus	10/76	5.9	7.6	3,425	4	none	0.69‡
	Eaton Vance California Municipals/Eaton Vance	12/85	6.3	7.5	198	210	6.00b,r	0.52p
	Eaton Vance High Yield Municipals/Eaton Vance	12/85	2.7	8.3	899	119	6.00b,r	0.75‡
A	Eaton Vance Muni Bond Fund/Eaton Vance	3/78	7.0	7.5	55	18	4.75	0.81‡
B	Empire Builder Tax Free Bond Fund/ITB	6/84	8.3	6.6	49	69	4.75	1.50p
	Federated Intermediate Municipal/Federated	12/85	6.2	5.8	121	168	none	NA
B	Federated Tax-Free Income Fund/Federated	10/76	6.1	7.3	371	42	none	0.95p
	Fidelity Calif Tax-Free-High Yield/Fidelity	7/84	3.3	7.2	452	42	none	0.68
	Fidelity Calif Tax-Free-Insured/Fidelity	9/86	—*	—*	36	—	none	0.45p
B	Fidelity Mass Tax-Free-High Yield[1]/Fidelity	11/83	5.9	7.1	621	35	none	0.64p
	Fidelity NY Tax-Free-High Yield/Fidelity	7/84	5.3	7.1	357	72	none	0.60p
	Fidelity NY Tax-Free-Insured/Fidelity	10/85	3.2	6.7	168	132	none	0.60p
	Fidelity Pennsylvania Tax-Free-High Yld/Fidelity	8/86	—*	—*	39	—	none	0.30p
	Fidelity State Tax-Free-Michigan/Fidelity	11/85	5.3	7.4	141	128	none	0.60p
	Fidelity State Tax-Free-Minnesota/Fidelity	11/85	3.4	7.4	97	135	none	0.60p
	Fidelity State Tax-Free-Ohio/Fidelity	11/85	4.7	7.3	127	182	none	0.60p
	Fidelity Tax-Free-Aggressive/Fidelity	9/85	9.1	8.1	406	64	1.00r	0.65p
B	Fidelity Tax-Free-High Yield/Fidelity	12/77	5.8	7.7	1,885	6	none	0.57p
	Fidelity Tax-Free-Insured/Fidelity	11/85	4.2	6.8	154	133	none	0.60p
D	Fidelity Tax-Free-Limited Term Munis/Fidelity	4/77	6.9	6.4	530	32	none	0.68p
B	Fidelity Tax-Free-Municipal Bond/Fidelity	8/76	6.4	7.0	1,010	3	none	0.51p
	Fidelity Texas Tax-Free/Fidelity	1/86	6.1	7.7	31	123	none	0.65p
C	Financial Tax-Free Income Shares/Financial Prog	8/81	5.0	7.9	118	9	none	0.70p
	First Investors New York Tax Free/First Investors	6/84	3.3	7.1	97	54	7.25	1.13‡
C	First Investors Tax Exempt Fund/First Investors	8/77	5.8	7.8	793	31	7.25	1.02‡
	Flagship Tax Exempt-Arizona Double T-E/Flagship	10/86	—*	—*	34	—	4.20	0.84p
	Flagship Tax Exempt-Georgia Double T-E/Flagship	3/86	7.1	7.0	35	242	4.20	0.71‡

Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Municipal bond funds rated only if in operation since 6/30/84. *Fund not in operation for full period. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p: Net of partial absorption of expenses by fund sponsor. b: Includes back end load that reverts to fund. r: Includes back end load that reverts to distributor. NA: Not applicable or not available. [1]Formerly Fidelity Mass Tax Free Muni Fund.

Data sources: CDA Investment Technologies, Lipper Analytical Services

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Municipal Bond

Three-year performance	Fund/distributor	Date started	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
	Shearson Lehman municipal bond index		8.6%	7.9%				
	Forbes municipal bond composite		5.8%	7.1%				
	Flagship Tax Exempt-Kentucky Double T-E/Flagship	5/87	—*	—*	$13	—	4.20%	$0.18p
	Flagship Tax Exempt-Michigan Double T-E/Flagship	6/85	8.0%	6.9%	84	74%	4.20	0.78‡
	Flagship Tax Exempt-NC Double T-E/Flagship	3/86	5.2	7.0	69	301	4.20	0.49‡
	Flagship Tax Exempt-Ohio Double T-E/Flagship	6/85	7.3	7.2	160	95	4.20	0.76‡
	Flagship Tax Exempt-Penn Triple T-E/Flagship	10/86	—*	—*	35	—	4.20	0.69‡
	Flagship Tax Exempt-Virginia Double T-E/Flagship	3/86	7.0	6.8	34	125	4.20	0.68‡
	Fortress High Yield Tax-Free Fund/Federated	4/87	—*	—*	19	—	none[1]	NA‡
	Franklin Calif Insured Tax-Free Income/Franklin	9/85	2.3	8.1	162	228	4.00	0.72
C	Franklin California Tax-Free Income/Franklin	2/77	6.4	8.1	7,976	38	4.00	0.50‡
B	Franklin Federal Tax-Free Income/Franklin	9/83	5.7	8.7	2,520	181	4.00	0.54‡
	Franklin High Yield Tax-Free Income Fund/Franklin	3/86	4.3	4.5	11	NM	none	a‡
	Franklin Insured Tax-Free Income Fund/Franklin	4/85	4.2	7.8	220	262	4.00	0.72‡
	Franklin Mass Insured Tax-Free Income/Franklin	4/85	2.3	7.8	84	–67	4.00	0.75
	Franklin Mich Insured Tax-Free Income/Franklin	4/85	4.0	7.8	255	153	4.00	0.78‡
	Franklin Minn Insured Tax-Free Income/Franklin	4/85	4.1	7.6	133	179	4.00	0.78‡
A	Franklin New York Tax-Free Income Fund/Franklin	9/82	6.5	8.5	2,612	53	4.00	0.52‡
	Franklin Ohio Insured Tax-Free Income/Franklin	4/85	3.7	7.6	191	264	4.00	0.80‡
	Franklin Pennsylvania Tax-Free Income/Franklin	12/86	—*	—*	5	—	4.00	NA
	Franklin PR Tax-Free Income Fund/Franklin	4/85	3.6	8.2	45	NM	4.00	0.28p
	Freedom Investment-Managed T-E/Tucker Anthony	4/87	—*	—*	6	—	3.00r	NA‡
D	Fund for Tax-Free Investors-Intermediate/Rushmore	9/83	2.5	6.7	9	17	none	0.94‡
D	Fund for Tax-Free Investors-Long Term/Rushmore	9/83	5.0	7.3	10	44	none	0.95‡
	GIT Tax-Free Trust-High Yield/GIT	12/82	6.9	7.6	48	18	none	0.83‡
	John Hancock Tax-Exempt Income Trust/Hancock	1/77	8.0	7.2	369	8	5.50	0.64‡
	Hawaiian Tax-Free Trust/Aquila	2/85	7.1	7.1	198	89	4.00	0.85‡
B	Hutton California Municipal Fund/Hutton	6/83	4.6	7.7	199	38	4.00	0.81‡
A+	Hutton National Municipal Fund/Hutton	6/83	6.1	8.0	1,206	52	4.00	0.66‡
C	Hutton New York Municipal Fund/Hutton	6/83	6.2	7.6	267	36	4.00	0.78‡
	IDS California Tax-Exempt Fund/IDS	8/86	—*	—*	34	—	5.00	0.75p
A	IDS High Yield Tax-Exempt Fund/IDS	5/79	7.5	8.0	3,818	22	5.00	0.60p
	IDS Insured Tax-Exempt Fund/IDS	8/86	—*	—*	31	—	5.00	0.75p
	IDS Minnesota Tax-Exempt Fund/IDS	8/86	—*	—*	48	—	5.00	0.75p
	IDS New York Tax-Exempt Fund/IDS	8/86	—*	—*	19	—	5.00	0.75p
B	IDS Tax-Exempt Bond Fund/IDS	12/76	6.6	7.5	873	14	5.00	0.60‡
	Integrated Tax-Free-Stripes[2]/Integrated	11/85	6.0	7.4	129	8	4.75	0.87‡
C	Investment Trust of Boston-Mass T-F Inc/ITB	3/84	7.5	7.0	53	36	4.25	1.25‡
A	Kemper Calif Tax-Free Income Fund/Kemper	1/83	10.8	7.1	285	83	4.50	0.65
A	Kemper Muni Bond Fund/Kemper	4/76	10.3	7.6	1,215	53	4.50	0.54‡

Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Municipal bond funds rated only if in operation since 6/30/84. *Fund not in operation for full period. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. a: All expenses absorbed by fund sponsor. p: Net of partial absorption of expenses by fund sponsor. r: Includes back end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful. [1]No load until 10/1/87, 1% thereafter. [2]Formerly Integrated Insured Tax Free Fund.

Data sources: CDA Investment Technologies, Lipper Analytical Services

Table of distributors, showing addresses and phone numbers, begins on page 268.

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Fund Ratings/Municipal Bond

Three-year performance	Fund/distributor	Date started	Investment results Latest 12 months total return	Latest 12 months return from income dividends
	Shearson Lehman municipal bond index		8.6%	7.9%
	FORBES municipal bond composite		5.8%	7.1%
	Kemper Tax-Free Income-National/Kemper	12/85	8.0%	6.0%
	Keystone America Tax Free Income Fund/Keystone	4/87	—*	—*
	Keystone Tax Exempt Trust/Keystone	10/85	5.0	7.2
C	Keystone Tax Free Fund/Keystone	1/78	7.4	8.0
	Kidder Peabody Tax-Free Income-National/Kidder	12/85	6.2	7.1
	Kidder Peabody Tax-Free Income-New York/Kidder	12/85	5.7	6.9
	Landmark New York Tax Free Income/Landmark Funds	9/86	—*	—*
	Lexington Tax Exempt Bond-National/Lexington	7/86	—*	—*
	Limited Term Municipal Fund-California/Thornburg	2/87	—*	—*
	Limited Term Municipal Fund-National/Thornburg	8/84	6.8	6.5
	Lord Abbett California Tax-Free Income/Lord Abbett	9/85	6.0	7.6
B	Lord Abbett Tax-Free-National/Lord Abbett	4/84	7.8	7.9
B	Lord Abbett Tax-Free-New York/Lord Abbett	4/84	7.9	7.7
	Lord Abbett Tax-Free-Texas/Lord Abbett	1/87	—*	—*
	Merrill Lynch California Tax-Exempt/ML Funds	9/85	5.6	6.6
B	Merrill Lynch Muni Bond-High Yield/ML Funds	11/79	8.0	7.9
C	Merrill Lynch Muni Bond-Insured/ML Funds	11/77	6.9	7.5
C	Merrill Lynch Muni Bond-Ltd Maturity/ML Funds	11/79	5.0	5.3
	Merrill Lynch Municipal Income Fund/ML Funds	11/86	—*	—*
	Merrill Lynch New York Municipal Bond/ML Funds	11/85	6.3	6.6
	MetLife-State Street High Income T-E/MetLife	8/86	—*	—*
	MFS Managed California Tax-Exempt/Mass Finl	6/85	5.5	6.3
D	MFS Managed High Yield Muni Bond/Mass Finl	2/84	5.2	9.4
	MFS Managed M-S Tax-Exempt-Maryland/Mass Finl	11/84	6.8	6.6
	MFS Managed M-S Tax-Exempt-Mass/Mass Finl	11/84	7.4	6.9
	MFS Managed M-S Tax-Exempt-NC/Mass Finl	11/84	6.4	6.7
	MFS Managed M-S Tax-Exempt-SC/Mass Finl	11/84	9.5	7.0
	MFS Managed M-S Tax-Exempt-Virginia/Mass Finl	11/84	8.2	6.8
	MFS Managed M-S Tax-Exempt-W Va/Mass Finl	11/84	6.6	7.5
A	MFS Managed Muni Bond Trust/Mass Finl	10/76	8.3	7.2
	MFS Municipal Income Trust/closed end	11/86	—*	—*
D	Midwest Group Tax Free-Limited Term/MGF	9/81	5.3	5.6
	Midwest Group Tax Free-Ohio Long Term/MGF	4/85	6.7	7.0
	Muni Bond Funds-California/Smith Barney	4/87	—*	—*
	Muni Bond Funds-National/Smith Barney	9/86	—*	—*
	Muni Bond Funds-New York/Smith Barney	2/87	—*	—*
A	Mutual of Omaha Tax-Free Income/Mutual of Omaha	1/77	7.4	7.5
A	National Securities Tax Exempt Bonds/National Secs	11/76	7.2	7.6

Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 millio Municipal bond funds rated only if in operation since 6/30/84. *Fund not in operation for full period. ‡Fund h shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. ††Closed to new investo ‡‡Exchange fund, not currently selling new shares. a: All expenses absorbed by fund sponsor. p: Net of part absorption of expenses by fund sponsor. b: Includes back end load that reverts to fund. r: Includes back end load th reverts to distributor. NA: Not applicable or not available.

Data sources: CDA Investment Technologies, Lipper Analytical Servic

Table of distributors, showing addresses and phone numbers, begins on page 268.

Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Maximum sales charge	Annual expenses per $100
$13	63%	3.50%r	$1.55p
6	—	2.00r	NA‡
493	104	4.00b	1.02‡
964	5	4.00††b	0.83‡
26	57	4.00	0.78p
11	28	4.00	0.77p
97	—	none	a‡
12	—	none	a‡
6	—	2.75	0.85‡
127	111	2.75	1.00‡
67	77	4.75	0.27p
263	74	4.75	0.60p
117	41	4.75	0.64p
14	—	4.75	a
656	68	4.00r	0.59‡
1,807	39	4.00	0.56‡
2,239	28	4.00	0.60‡
796	27	0.75	0.42‡
212	—	2.00r	0.73‡
702	76	4.00r	1.14‡
27	—	4.50	1.25p
59	136	4.75	1.04‡
395	14	††	1.00‡
82	56	4.75	1.10‡
232	67	4.75	0.87‡
109	52	4.75	1.07‡
31	90	4.75	0.99‡
190	54	4.75	1.02‡
36	68	4.75	0.87‡
959	38	4.75	0.60‡
319	—	NA	1.04‡
32	146	2.00	1.06‡
18	39	4.00	1.09‡
6	—	4.00	0.44p
75	—	4.00	0.44p
11	—	4.50	0.45p
294	45	8.00	0.61p
84	21	4.50	0.79p

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THE Vanguard GROUP OF INVESTMENT COMPANIES

Fund Ratings/Municipal Bond

Three-year performance	Fund/distributor	Date started	Investment results: Latest 12 months total return	Latest 12 months return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
	Shearson Lehman municipal bond index		8.6%	7.9%				
	Forbes municipal bond composite		5.8%	7.1%				
	Nationwide Tax-Free Fund/Nationwide	3/86	4.2%	6.8%	$ 35	389%	5.00%r	$0.91p
	New England Tax Exempt Income Fund/New England	5/77	4.8	7.3	127	34	4.50	0.85‡
D	New York Muni Fund/New York Muni	4/81	1.0	7.5	256	19	none	1.14‡
	Nuveen California Tax-Free-Insured Bond/Nuveen	7/86	—*	—*	16	—	4.00	0.17p
	Nuveen California Tax-Free-Special Bond/Nuveen	7/86	—*	—*	19	—	4.00	0.18p
	Nuveen Insured Tax-Free Bond-National/Nuveen	12/86	—*	—*	22	—	4.00	a
	Nuveen Insured Tax-Free Bond New-York/Nuveen	12/87	—*	—*	10	—	4.00	a
B	Nuveen Municipal Bond Fund/Nuveen	11/76	7.4	7.1	762	25	4.00	0.69p
	Nuveen Municipal Value Fund/closed end	6/87	—*	—*	1,403	—	NA	NA
	Nuveen Tax-Free Bond-Massachusetts/Nuveen	12/86	—*	—*	5	—	4.00	0.08p
	Nuveen Tax-Free Bond-New York/Nuveen	12/86	—*	—*	7	—	4.00	0.09p
	Nuveen Tax-Free Bond-Ohio/Nuveen	12/86	—*	—*	7	—	4.00	0.08p
	Oppenheimer New York Tax-Exempt/Oppenheimer Inv	8/84	7.1	6.7	72	54	4.75	0.76
A	Oppenheimer Tax-Free Bond Fund/Oppenheimer Inv	10/76	7.0	6.8	136	27	4.75	0.78p
C	Pacific Horizon-Calif Tax-Exempt Bond/Dreyfus	3/84	5.0	7.0	94	25	none	1.13‡
	PaineWebber Calif T-E Income Fund/PaineWebber	9/85	7.6	7.1	162	33	4.25	0.67p
	PaineWebber Tax-Exempt Income/PaineWebber	12/84	7.8	7.2	383	47	4.25	0.72p
	Park Ave NY Tax Exempt Intermed Bond/Dreyfus	11/84	7.3	6.0	66	57	none	0.79‡
	Pierpont Tax Exempt Bond Fund/Morgan Stanley	10/84	NA	NA	200[1]	NA	NA	0.80p
	Pioneer Municipal Bond Fund/Pioneer	10/86	—*	—*	11	—	4.50	NA
	T Rowe Price Maryland Tax-Free Bond/Price	3/87	—*	—*	28	—	none	0.85‡
	T Rowe Price New York Tax-Free Bond/Price	8/86	—*	—*	23	—	none	1.00‡
	T Rowe Price Tax-Free California Bond/Price	9/86	—*	—*	32	—	none	1.00p
	T Rowe Price Tax-Free High Yield Fund/Price	3/85	8.8	7.7	271	54	none	0.92p
D	T Rowe Price Tax-Free Income Fund/Price	11/76	4.8	7.4	1,214	–5	none	0.60
B	T Rowe Price Tax-Free Short Intermediate/Price	12/83	5.1	5.5	298	43	none	0.69p
	Principal Preservation-Hedged Tax-Exempt/Ziegler	8/84	8.6	7.0	133	–2	4.50	1.10‡
	Principal Preservation-Insured T-E Plus/Ziegler	9/86	—*	—*	17	—	4.50	a‡
	Princor Tax-Exempt Bond Fund/Princor	4/86	5.7	7.0	20	133	4.50	0.71‡
	Prudential-Bache California Municipal/Pru-Bache	9/84	5.4	6.8	143	44	5.00r	1.06p
	Prudential-Bache Muni-Arizona/Pru-Bache	9/84	6.0	6.7	50	41	5.00r	1.12p
	Prudential-Bache Muni-Georgia/Pru-Bache	9/84	5.8	7.0	25	12	5.00r	1.12p
	Prudential-Bache Muni-Maryland/Pru-Bache	1/85	4.4	6.7	32	55	5.00r	1.01p
	Prudential-Bache Muni-Massachusetts/Pru-Bache	9/84	4.2	6.8	40	32	5.00r	1.15p
	Prudential-Bache Muni-Michigan/Pru-Bache	9/84	7.2	6.9	41	43	5.00r	1.14p
	Prudential-Bache Muni-Minnesota/Pru-Bache	10/84	7.4	6.7	16	78	5.00r	0.97p
	Prudential-Bache Muni-New York/Pru-Bache	9/84	3.8	6.9	310	39	5.00r	1.08‡
	Prudential-Bache Muni-N Carolina/Pru-Bache	2/85	4.7	6.7	38	74	5.00r	1.00p
	Prudential-Bache Muni-Ohio/Pru-Bache	9/84	4.1	6.9	75	64	5.00r	1.13p
	Prudential-Bache Muni-Oregon/Pru-Bache	9/84	4.0	6.6	11	69	5.00r	0.97p

Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Municipal bond funds rated only if in operation since 6/30/84. *Fund not in operation for full period. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. a: All expenses absorbed by fund sponsor. p: Net of partial absorption of expenses by fund sponsor. r: Includes back end load that reverts to distributor. NA: Not applicable or not available. [1]Assets at 2/28/87.

Data sources: CDA Investment Technologies, Lipper Analytical Services

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Municipal Bond

Three-year performance	Fund/distributor	Date started	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
	Shearson Lehman municipal bond index		8.6%	7.9%				
	FORBES municipal bond composite		5.8%	7.1%				
	Prudential-Bache Muni-Pennsylvania/Pru-Bache	5/87	—*	—*	$ 11	—	5.00%r	NA‡
	Prudential-Bache National Municipals/Pru-Bache	6/80	6.7%	7.2%	1,150	35%	5.00r	$0.90‡
B	Putnam California Tax Exempt Income/Putnam	6/83	6.1	7.7	1,121	56	4.75	0.53‡
	Putnam Massachusetts Tax Exempt Income/Putnam	10/86	—*	—*	40	—	2.50r	NA‡
	Putnam Michigan Tax Exempt Income/Putnam	10/86	—*	—*	20	—	2.50r	NA‡
	Putnam Minnesota Tax Exempt Income/Putnam	10/86	—*	—*	15	—	2.50r	NA‡
A	Putnam New York Tax Exempt Income Fund/Putnam	9/83	6.0	7.7	994	64	4.75	0.56
	Putnam Ohio Tax Exempt Income/Putnam	10/86	—*	—*	55	—	2.50r	NA‡
B	Putnam Tax Exempt Income Fund/Putnam	11/76	5.4	7.6	951	86	4.75	0.53‡
	Putnam Tax-Free Income-High Yield/Putnam	9/85	6.0	7.3	571	230	5.00r	NA‡
	Putnam Tax-Free Income-Insured/Putnam	9/85	4.6	6.1	260	373	5.00r	NA‡
A	Safeco California Tax Free Income Fund/Safeco	8/83	6.2	7.3	28	31	none	0.74‡
A	Safeco Municipal Bond Fund/Safeco	11/81	8.9	7.6	185	24	none	0.62
B	Scudder California Tax Free Fund/Scudder	7/83	5.5	7.0	157	22	none	0.84‡
B	Scudder Managed Municipal Bonds/Scudder	10/76	7.5	7.3	645	10	none	0.58‡
D	Scudder New York Tax Free Fund/Scudder	7/83	6.3	7.1	125	27	none	0.88‡
C	Scudder Tax-Free Target-1987/Scudder	4/83	4.1	5.0	26	–15	none	0.94‡
A	Scudder Tax-Free Target-1990/Scudder	4/83	6.7	5.6	131	88	none	0.82
A	Scudder Tax-Free Target-1993/Scudder	4/83	7.6	6.0	141	82	none	0.81‡
	Scudder Tax Free Target-1996/Scudder	4/85	7.2	6.1	97	111	none	1.00‡
D	Security Tax-Exempt Fund/Security	10/83	4.3	7.9	18	67	4.75	1.00‡
	Seligman Calif T-E-High Yield/Seligman	11/84	7.8	7.5	63	39	4.50	0.66p
	Seligman Calif T-E-Quality/Seligman	11/84	6.5	7.1	63	33	4.50	0.67p
	Seligman Penn Tax-Exempt-High Yield/Seligman	7/86	—*	—*	13	—	4.75	NA‡
	Seligman Penn Tax-Exempt-Quality/Seligman	7/86	—*	—*	32	—	4.75	NA‡
	Seligman Tax-Exempt-Colorado/Seligman	5/86	8.3	7.7	88	117	4.75	0.55‡
	Seligman Tax-Exempt-Florida/Seligman	11/86	—*	—*	25	—	4.75	0.47p
	Seligman Tax-Exempt-Louisiana/Seligman	10/85	8.9	7.3	53	27	4.75	0.62p
	Seligman Tax-Exempt-Maryland/Seligman	10/85	5.3	6.8	55	48	4.75	0.59p
C	Seligman Tax-Exempt-Massachusetts/Seligman	12/83	6.9	7.3	141	26	4.75	0.78
	Seligman Tax-Exempt-Michigan/Seligman	7/84	7.2	7.3	115	33	4.75	0.82
C	Seligman Tax-Exempt-Minnesota/Seligman	12/83	6.2	7.2	125	36	4.75	0.90p
	Seligman Tax-Exempt-Missouri/Seligman	7/86	—*	—*	65	—	4.75	0.86p
A	Seligman Tax-Exempt-National/Seligman	12/83	7.0	7.6	142	48	4.75	0.76
B	Seligman Tax-Exempt-New York/Seligman	12/83	7.1	7.3	79	36	4.75	0.79
B	Seligman Tax-Exempt-Ohio/Seligman	12/83	8.4	7.4	128	30	4.75	0.80
	Seligman Tax-Exempt-Oregon/Seligman	10/86	—*	—*	27	—	4.75	0.42p
C	Shearson California Municipals/Shearson	4/84	5.7	7.4	169	36	5.00	0.67p

Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Municipal bond funds rated only if in operation since 6/30/84. *Fund not in operation for full period. ‡Fund has shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p: Net of partial absorption of expenses by fund sponsor. r: Includes back end load that reverts to distributor. NA: Not applicable or not available.

Data sources: CDA Investment Technologies, Lipper Analytical Services

Table of distributors, showing addresses and phone numbers, begins on page 268.

Three-year performance	Fund/distributor	Date started	Investment results: Latest 12 months total return	Latest 12 months return from income dividends	Total assets: 6/30/87 (millions)	Total assets: % change '87 vs '86	Maximum sales charge	Annual expenses per $100
	Shearson Lehman municipal bond index		8.6%	7.9%				
	FORBES municipal bond composite		5.8%	7.1%				
	Shearson Lehman-Tax Exempt Income/Shearson	9/85	4.6%	6.6%	$446	32%	5.00%r	$1.67‡
B	Shearson Managed Municipals/Shearson	3/81	7.3	7.7	684	26	5.00	0.59‡
A	Shearson New York Municipals/Shearson	1/84	7.0	7.5	232	38	5.00	0.68‡
A	Sigma Tax-Free Bond Fund/Sigma	8/79	5.5	7.0	15	25	4.75	1.03‡
	State Bond Tax Exempt Fund/State Bond	5/84	6.1	7.3	34	80	4.50	0.96‡
A	SteinRoe High Yield Municipals/Stein Roe	3/84	7.3	7.7	210	63	none	0.76‡
	SteinRoe Intermediate Municipals/Stein Roe	10/85	6.5	5.4	109	85	none	0.94p
	SteinRoe Managed Municipals/Stein Roe	2/77	7.9	7.3	490	18	none	0.65p
	Strong Tax-Free Income Fund/Strong	10/86	—*	—*	20	—	none	0.70p
C	Tax-Exempt Bond Fund of America/American Funds	10/79	6.3	7.2	332	51	4.75	0.59p
	Tax-Free Trust of Arizona/Aquila	3/86	7.1	7.2	75	478	4.00	0.44p
	Tax-Free Trust of Oregon/Aquila	6/86	5.0	7.2	89	NM	4.00	0.61p
	Thomson McKinnon Investment-Tax Exempt/Thomson	11/85	7.0	6.3	70	59	5.00r	1.70‡
A	Unified Municipal Fund-General/Unified	4/85	6.0	7.5	7	40	none	1.06‡
	Unified Municipal Fund-Indiana/Unified	4/85	6.8	6.9	11	34	none	1.00‡
	United Municipal Bond Fund/Waddell & Reed	11/76	5.9	7.5	440	18	4.00	0.61‡
	United Municipal High Income/Waddell & Reed	1/86	8.3	8.4	65	241	4.00	0.75‡
	United Services-Tax Free Fund/United Services	11/84	5.2	6.0	8	226	none	a‡
C	USAA Tax Exempt Fund-High Yield/USAA	3/82	5.8	8.1	868	32	none	0.49‡
D	USAA Tax Exempt Fund-Intermediate Term/USAA	3/82	5.7	7.2	339	55	none	0.60‡
B	USAA Tax Exempt Fund-Short Term/USAA	3/82	5.1	5.8	255	41	none	0.57‡
	UST Master Tax-Exempt Fund-Intermediate/Boston Co	12/85	7.5	6.2	36	271	none	0.81p
	UST Master Tax-Exempt Funds-Long Term/Boston Co	2/86	9.2	6.8	8	145	none	0.80p
	Value Line Tax Exempt-High-Yield/Value Line	3/84	7.4	8.2	270	73	none	0.68p
	Van Kampen Merritt Cal Insured Tax-Free/Van Kampen	12/85	4.2	7.1	26	375	4.90	0.16p
	Van Kampen Merritt Insured Tax Free/Van Kampen	12/84	5.3	7.3	512	83	4.90	0.76‡
	Van Kampen Merritt Tax-Free High Income/Van Kampen	6/85	10.0	8.2	318	185	4.90	0.67‡
	Vanguard California Tax-Free Insured LT/Vanguard	4/86	3.8	7.1	93	472	none	0.33‡
A	Vanguard Muni Bond-High Yield/Vanguard	12/78	6.3	8.0	809	19	none	0.33‡
	Vanguard Muni Bond-Insured Long Term/Vanguard	9/84	6.4	7.6	795	29	none	0.33‡
B	Vanguard Muni Bond-Intermediate/Vanguard	9/77	7.4	7.2	906	33	none	0.33‡
B	Vanguard Muni Bond-Long-Term/Vanguard	9/77	6.4	7.8	632	13	none	0.33‡
C	Vanguard Muni Bond-Short-Term/Vanguard	9/77	5.5	5.2	1,083	28	none	0.33‡
	Vanguard New York Insured Tax-Free/Vanguard	4/86	3.4	6.9	81	713	none	0.34‡
	Vanguard Pennsylvania Insured Tax-Free/Vanguard	4/86	5.4	7.1	203	349	none	0.33‡
	Venture Muni (+) Plus/Venture	2/82	2.2	8.8	50	119	5.00b	1.25‡

Funds are added to this section when assets exceed $5 million and deleted when assets drop below $2 million. Municipal bond funds rated only if in operation since 6/30/84. *Fund not in operation for full period. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p: Net of partial absorption of expenses by fund sponsor. a: All expenses absorbed by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NM: Not meaningful.

Data sources: CDA Investment Technologies, Lipper Analytical Services

Table of distributors, showing addresses and phone numbers, begins on page 268.

Money market funds

Money market funds are divided into three groups: those investing mainly in federal obligations (see table below); those without investment restrictions (see p. 255); and those that buy federally tax-exempt paper (see p. 262). Our tables omit the column on loads, as they are rare. More common is a hidden sales cost authorized by a 12b-1 plan, which we suggest avoiding if possible. Funds with 12b-1s show a double dagger (‡) by the expense figure. For more information, contact the distributor, using the distributor table that begins on page 268.

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Minimum initial investment	Annual expenses per $100
	FORBES government money fund composite		5.5%				
	FORBES general money fund composite		5.6%				
	FORBES tax-free money fund composite		3.9%				
Money market funds specializing in U.S. government paper							
51	Active Assets Govt Secs Trust/Dean Witter	7/81	5.5%	$178	–3%	†	$0.72‡
52	Alliance Government Reserves/Alliance	7/79	5.4	260	2	$1,000	0.95‡
45	Alex Brown Cash Reserve-Govt/Brown & Sons	4/82	5.7	238	55	1,500	0.45‡
60	Capital Preservation Fund/Benham	10/72	5.4	1,769	–1	1,000	0.62
1	Capital Preservation Fund II/Benham	6/80	5.4	477	2	1,000	0.73p
10	Cardinal Government Securities Trust/Ohio Co	9/80	5.8	420	3	1,000	0.75
62	Carnegie Govt Secs-Money Market/Carnegie	4/80	5.6	142	–5	1,000	0.63
28	Cash Accumulation-National Government/Thomson	11/84	5.4	55	15	1,000	0.71‡
15	Cash Equivalent Fund-Govt/Kemper	12/81	5.7	958	54	1,000	0.68‡
12	Centennial Government Trust/Centennial	11/81	5.2	67	–15	1,000	0.96‡
12	Colonial Government Money Market Trust[1]/Colonial	1/81	5.4	66	183	2,500	1.00
55	CMA Government Securities Fund/MLPF&S	8/81	5.5	1,929	–1	†	0.59‡
52	Command Government Fund/Command	2/82	5.5	131	16	†	0.75‡
40	Current Interest-US Govt/Criterion	9/82	5.1	67	–26	1,000	0.91‡
62	DBL Cash Fund-Govt Secs/Drexel	3/82	5.8	303	18	1,000	0.63‡
47	Dean Witter/Sears US Govt MM Trust/Dean Witter	2/82	5.3	537	15	1,000	0.93‡
90	Dreyfus MM Instruments-Govt Secs/Dreyfus	5/79	5.6	793	–20	2,500	0.64
45	Fidelity US Government Reserves/Fidelity	11/81	5.6	857	70	1,000	0.81
4	First Lakeshore Government Money Market/Dreyfus	5/87	—*	66	—	1,000	NA‡
29	First Variable Rate Fund for Govt Income/Calvert	12/76	4.5	442	–10	2,000	0.88
1	Franklin Federal Money Fund/Franklin	5/80	5.1	137	–10	2,000	1.03‡
15	Fund for Govt Investors/Rushmore	3/75	5.3	616	–15	2,500	0.73
23	Government Investors Trust/GIT	7/79	5.3	185	–16	1,000	1.06p
6	Hilliard-Lyons Government Fund/Hilliard	1/81	5.2	94	–1	3,000	0.88
48	Hutton Government Fund/Hutton	6/82	5.5	1,162	10	10,000	0.91‡
14	Kemper Government MM Fund/Kemper	11/81	5.6	111	17	1,000	0.68
39	Kidder Peabody Government Money Fund/Kidder	5/83	5.4	189	2	1,500	0.62
9	Lazard Frères-Government Fund/Lazard	10/81	5.6	632	24	2,500	0.60‡
44	Liberty US Govt Money Market Trust/Federated	6/80	5.2	1,442	–25	2,500	1.01
21	Mass Cash Management-Govt/Mass Finl	2/82	5.3	55	8	1,000	0.69
44	Merrill Lynch Government Fund/ML Boston	9/77	5.5	1,622	–5	5,000	0.43
55	Merrill Lynch USA Govt Reserves/ML Funds	11/82	5.4	235	–1	5,000	0.67‡

Funds are included in this section when they exceed $50 million in net assets and have a minimum initial investment less than $100,000. Fund must be open to individual investors. *Fund not in operation for full period. †Fund is offered as part of an integrated financial service account that has a minimum initial investment. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p. Net of partial absorption of expenses by fund sponsor. [1]Formerly Colonial Money Market Trust. NA. Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Minimum initial investment	Annual expenses per $100
	FORBES government money fund composite		5.5%				
	FORBES general money fund composite		5.6%				
	FORBES tax-free money fund composite		3.9%				
Money market funds specializing in U.S. government paper							
56	Midwest Income-Short Term Govt/MGF	12/74	5.1%	$135	–2%	$1,000	$1.00‡
51	National Liquid Reserves-Government/Smith Barney	5/84	5.6	117	14	1,000	0.54
58	Neuberger & Berman Govt Money/Neuberger	11/83	5.0	142	33	2,000	0.75‡
47	Pacific Horizon-Government MM/Dreyfus	3/84	5.6	1,293	44	1,000	0.55‡
52	PaineWebber RMA-US Govt/PaineWebber	10/82	5.3	241	18†	†	0.76
33	Pinnacle Government-Portfolio I/Florida Mutual	10/80	5.8	98	35	1,000	0.68‡
38	T Rowe Price US Treasury Money Fund/Price	6/82	4.9	187	26	1,000	1.11
52	Prudential-Bache Govt Secs-MM/Pru-Bache	1/82	5.5	342	1	1,000	0.70‡
22	Renaissance Assets Trust-Govt/First of Mich	7/82	5.6	103	8	1,000	0.62‡
1	Reserve Fund-Government/Resrv	10/81	5.6	346	–1	1,000	0.96‡
49	Scudder Government Money Fund/Scudder	11/81	5.0	143	–9	1,000	0.84
1	Seligman Cash Management-Government/Seligman	1/82	5.5	51	89	2,000	0.72
72	Shearson FMA Government Fund/Shearson	2/82	5.7	455	20	†	0.64
71	Shearson Government & Agencies/Shearson	10/80	5.4	1,834	13	2,500	0.64
33	Short Term Income Fund-Government/Reich & Tang	11/82	5.3	233	13	5,000	0.75‡
55	Summit Cash Reserves Fund/ML Funds	12/82	5.7	642	4	5,000	0.74‡
46	Tucker Anthony Govt Securities/Tucker Anthony	2/82	5.3	188	1	1,000	0.70
42	UMB Money Market-Federal/Jones & Babson	11/82	5.7	107	3	1,000	0.51
69	United Services-US Treasury Secs/United Services	2/82	4.6	104	42	100	1.32
92	UST Master Funds-Government Money/Boston Co	5/85	5.7	136	48	10,000	0.56
39	Vanguard MM Reserves-Federal/Vanguard	7/81	5.7	828	22	1,000	0.48
57	Vantage Money Market-Government/Smith Barney	10/82	5.5	80	31	†	0.60
General money market funds							
50	Active Assets Money Trust/Dean Witter	7/81	5.8	2,309	3	†	0.54‡
57	Alliance Capital Reserves/Alliance	7/78	5.5	1,458	22	1,000	0.99‡
39	American Capital Reserve Fund/American Cap	7/74	5.6	291	–6	1,000	0.92
39	AMEV Money Fund/AMEV Investors	11/79	5.4	64	–16	1,000	0.95‡
21	Axe-Houghton Money Market Fund/Axe Securities	9/81	5.1	76	356	1,000	1.50‡
39	Babson Money Market Fund-Prime/Jones & Babson	3/80	5.4	58	2	1,000	0.88
28	Birr, Wilson Money Fund/Birr	3/81	5.2	67	5	1,000	1.15‡
39	Boston Co Cash Mgmt Fund/Boston Co	8/79	5.6	258	2	1,000	0.85‡
35	Alex Brown Cash Reserve-Prime/Brown & Sons	8/81	5.7	830	18	1,500	0.55‡
87	Bull & Bear Dollar Reserves/Bull & Bear	6/80	5.5	90	18	1,000	1.17‡
25	Calvert Social Invest-Money Market/Calvert	11/82	5.4	64	18	1,000	0.84‡
18	CAM Fund/CAM Fund	9/81	5.2	52	8	none	1.33
11	Capital Cash Management Trust/Aquila	7/74	5.7	101	31	1,000	0.71‡
21	Cash Accumulation-National MM/Thomson	11/84	5.7	1,880	0	1,000	0.75‡
28	Cash Assets Trust/Aquila	11/84	5.7	173	140	1,000	0.69‡
41	Cash Equivalent Fund-MM/Kemper	3/79	5.6	5,501	4	1,000	0.77‡
22	Cash Management Trust of America/American Funds	11/76	5.8	718	9	5,000	0.51

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Money Market

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Minimum initial investment	Annual expenses per $100
	Forbes government money fund composite		5.5%				
	Forbes general money fund composite		5.6%				
	Forbes tax-free money fund composite		3.9%				
General money market funds							
54	Cash Reserve Management/Hutton	1/77	5.9%	$3,811	–6%	$10,000	$0.60‡
58	CBA Money Fund/ML Funds	6/84	5.8	210	56	†	0.41p
20	Centennial Money Market Trust/Centennial	11/81	5.4	191	11	1,000	1.08‡
25	Churchill Cash Reserves Trust/Aquila	7/85	5.8	190	102	1,000	0.65‡
40	Cigna Cash Fund/Cigna	9/82	5.9	61	49	1,000	0.58‡
54	Cigna Money Market Fund/Cigna	1/75	5.8	175	–3	1,000††	0.75‡
57	CMA Money Fund/MLPF&S	9/77	5.7	17,819	–2	†	0.56‡
30	Columbia Daily Income Company/Columbia	11/74	5.4	397	–8	1,000	0.81‡
37	Command Money Fund/Command	2/82	5.7	1,382	9	†	0.66‡
26	Composite Cash Management/Murphey Favre	11/79	5.4	131	2	1,000	0.98‡
28	Connecticut Mutual-Liquid Account/Conn Mutual	3/82	5.3	69	2	1,000	1.00p
30	Cortland Trust-General Money Market/Cortland	7/85	5.4	282	–6	1,000	1.00‡
43	Counsellors Cash Reserve Fund/Warburg Pincus	4/85	5.9	156	29	1,000	0.45p
40	Current Interest-Money Market/Criterion	6/74	5.4	735	–21	1,000	0.99‡
20	Daily Cash Accumulation Fund/Centennial	7/78	5.6	2,533	0	1,000	0.79‡
32	Daily Dollar Reserves/Reich & Tang	6/83	5.5	238	–1	5,000	0.84‡
32	Daily Income Fund/Reich & Tang	7/74	5.6	495	2	5,000	0.65‡
61	DBL Cash Fund-Money Market/Drexel	2/81	5.7	1,436	–3	1,000	0.64‡
52	Dean Witter/Sears Liquid Asset/Dean Witter	9/75	5.7	6,768	1	5,000	0.64‡
42	Delaware Cash Reserve/Delaware	6/78	5.5	981	–21	1,000	0.90
41	Dreyfus Liquid Assets/Dreyfus	1/74	5.7	7,232	–7	2,500	0.65
35	Dreyfus MM Instruments-Money Market/Dreyfus	4/75	5.7	517	–21	50,000	0.67
31	Eaton Vance Cash Management Fund/Eaton Vance	1/75	5.6	222	23	1,000	0.70
49	Fidelity Cash Reserves/Fidelity	5/79	5.8	6,547	49	1,000	0.75
40	Fidelity Daily Income Trust/Fidelity	5/74	5.8	2,801	14	5,000	0.58
30	Fidelity Select-Money Market/Fidelity	8/85	5.5	687	199	1,000	0.64
29	Financial Daily Income Shares/Financial Prog	3/76	5.5	215	8	1,000	0.81
45	First American Money Fund/Fidelity	4/82	5.9	54	–8	1,000	0.56‡
21	First Investors Cash Mgmt Fund/First Investors	10/78	5.2	219	–21	1,000	1.07‡
62	First Lakeshore Money Market Fund/Dreyfus	2/86	5.5	123	67	1,000	0.88‡
14	Flex-funds-Money Market Fund/Flex	3/85	6.0	65	39	2,500	0.31p
30	Franklin Money Fund/Franklin	1/76	5.4	1,070	10	500	0.87‡
43	General Money Market Fund/Dreyfus	2/82	5.5	654	21	2,500	0.97‡
42	Gradison Cash Reserves Trust/Gradison	5/76	5.5	405	–3	1,000	0.86‡
29	John Hancock Cash Management Trust/Hancock	10/79	5.4	268	–17	1,000	0.88‡
42	Heritage Cash Trust/Jones & Assoc	11/85	5.9	150	5	5,000	1.00‡
47	High Yield Cash Trust/Federated	6/82	5.9	73	–46	25,000	0.36p
22	Wayne Hummer Money Fund Trust/Hummer	4/82	5.4	102	24	25,000	0.92
54	Hutton AMA Cash Fund/Hutton	3/82	5.9	2,221	10	†	0.61‡

Funds are included in this section when they exceed $50 million in net assets and have a minimum initial investment less than $100,000. Fund must be open to individual investors. †Fund is offered as part of an integrated financial service account that has a minimum initial investment. ‡Fund has shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p Net of partial absorption of expenses by fund sponsor. ††5% sales charge.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Money Market

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Minimum initial investment	Annual expenses per $100
	FORBES government money fund composite		5.5%				
	FORBES general money fund composite		5.6%				
	FORBES tax-free money fund composite		3.9%				
General money market funds							
38	Hutton Investment-Short Term Investment/Hutton	1/82	5.0%	$357	161%	$500	$1.62‡
56	IDS Cash Management Fund/IDS	10/75	5.6	858	–1	2,000	0.70‡
35	Integrated Money Market Securities/Integrated	10/84	5.4	364	66	1,000	0.99‡
27	Iowa Liquid Assets Fund/Investors Mgmt	10/82	5.0	68	–11	2,000	1.20‡
49	ED Jones Daily Passport Cash Trust/Jones & Co	3/80	5.3	618	–5	1,000	1.03
38	Kemper Money Market Fund/Kemper	11/74	5.9	4,166	–11	1,000	0.52
23	Keystone Liquid Trust/Keystone	7/75	5.3	375	13	1,000	1.00‡
40	Kidder Peabody Premium Account/Kidder	5/82	5.6	769	23	†	0.58
25	Lazard Frères-Cash Management Fund/Lazard	1/81	5.7	671	–9	2,500	0.69p
40	Legg Mason Cash Reserve Trust/Legg Mason	9/79	5.4	303	12	5,000	0.89
70	Lehman Management Cash Reserves Fund/Lehman	1/86	5.7	275	0	1,000	0.70
44	Lexington Money Market Trust/Lexington	7/78	5.5	181	–17	1,000	0.91
31	Liquid Capital Income Trust/Carnegie	11/74	5.8	1,238	0	1,000	0.68
36	Liquid Green Trust/Unified	11/80	5.3	176	–5	1,000	0.86
30	Lord Abbett Cash Reserve Fund/Lord Abbett	7/79	5.2	169	–13	1,000	1.03
35	Mass Cash Management-Prime/Mass Finl	12/75	5.6	617	0	1,000	0.82
57	McDonald Money Market Fund/McDonald	5/81	5.2	185	20	1,000	1.02‡
47	Merrill Lynch Institutional Fund/ML Boston	12/74	5.9	1,235	–8	25,000	0.45
57	Merrill Lynch Ready Assets Trust/ML Funds	2/75	5.7	10,416	–12	5,000	0.63‡
61	Merrill Lynch Retirement Reserves Money/ML Funds	4/82	5.5	2,987	17	none	0.99
30	Money Management Plus-Prime/Calvert	11/82	5.5	60	57	2,000	0.30‡
46	Money Market Management/Federated	1/74	5.5	181	–19	1,000	0.84
48	Morgan Keegan Daily Cash Trust/Morgan Keegan	12/80	5.2	82	–4	5,000	1.07
38	Mutual of Omaha Cash Reserve/Mutual of Omaha	3/81	5.2	53	–8	1,000	1.06‡
37	Mutual of Omaha MM Account/Mutual of Omaha	7/79	5.4	194	–19	1,000	0.81
33	National Liquid Reserves-Cash/Smith Barney	8/74	5.6	1,390	11	1,000	0.60
33	National Liquid Reserves-Retirement/Smith Barney	2/86	5.5	359	38	none	0.65p
40	Nationwide Money Market Fund/Nationwide	3/80	5.6	376	–12	1,000	0.79
216	Neuberger & Berman Money Market Plus/Neuberger	11/86	—*	83	—	5,000	0.50
59	New England Cash Mgmt-MM/New England	7/78	5.5	685	–7	1,000	0.81
21	Oppenheimer Money Market Fund/Oppenheimer Inv	4/74	5.6	611	–17	1,000	0.77
13	Pacific Horizon-Money Market/Dreyfus	3/84	5.8	743	28	1,000	0.57‡
36	PaineWebber Cashfund/PaineWebber	5/78	5.7	4,020	–4	5,000	0.56
34	PaineWebber RMA-Money Market/PaineWebber	10/82	5.5	2,164	24	†	0.78p
32	Parkway Cash Fund/Parkway	11/79	5.5	76	–39	1,000	1.00‡
53	Phoenix Money Market Fund/Phoenix	5/80	5.5	55	12	1,000	0.85
NA	Pierpont Money Market/Morgan Stanley	10/82	NA	1,142[1]	NA	25,000	0.54
31	T Rowe Price Prime Reserve Fund/Price	3/76	5.6	3,042	4	1,000	0.76
22	Prime Cash Fund/Aquila	4/83	5.7	147	–12	1,000	0.60‡

Funds are included in this section when they exceed $50 million in net assets and have a minimum initial investment less than $100,000. Fund must be open to individual investors. *Fund not in operation for full period. †Fund is offered as part of an integrated financial service account that has a minimum initial investment. ‡Fund has shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p. Net of partial absorption of expenses by fund sponsor. NA. Not available or not applicable. [1]Assets at 5/31/87.

Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Money Market

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Minimum initial investment	Annual expenses per $100
	FORBES government money fund composite		5.5%				
	FORBES general money fund composite		5.6%				
	FORBES tax-free money fund composite		3.9%				
General money market funds							
34	Prudential-Bache Moneymart Assets/Pru-Bache	6/76	5.7%	$4,191	3%	$1,000	$0.64‡
41	Putnam Daily Dividend Trust/Putnam	9/76	5.6	479	73	1,000	0.89
19	Quest for Value-Cash Management/Oppenheimer Cap	1/87	—*	326	—	1,000	0.82‡
25	Renaissance Assets Trust-MM/First of Mich	7/82	5.8	282	29	1,000	0.65‡
18	Reserve Fund-Primary/Resrv	11/71	5.6	1,450	–12	1,000	0.95‡
35	LF Rothschild Earnings & Liquidity/Rothschild	4/82	5.6	454	0	1,000	0.72
41	Safeco Money Market Mutual Fund/Safeco	4/82	5.6	71	53	1,000	0.84
29	St Clair Fixed Income-MM Prime Oblig/Fairfield	11/84	5.7	85	16	1,000	0.61p
32	Scudder Cash Investment Trust/Scudder	7/76	5.6	1,141	3	1,000	0.64
30	Seligman Cash Management-Prime/Seligman	1/77	5.5	323	1	2,000	0.80
44	Sentinel Cash Management Fund/Equity Services	6/82	5.4	54	23	1,000	0.82
57	Shearson Daily Dividend/Shearson	6/79	5.5	3,688	0	2,500	0.76
62	Shearson FMA Cash Fund/Shearson	2/82	5.7	1,455	3	†	0.66
102	Short Term Asset Reserves/Aquila	12/84	5.8	219	10	1,000	0.59‡
29	Short Term Income Fund-MM/Reich & Tang	1/80	5.5	755	49	5,000	0.75‡
36	Standby Reserve Fund/Cowen	11/81	5.6	331	7	2,000	0.72
47	SteinRoe Cash Reserves/Stein Roe	9/76	5.5	798	1	2,500	0.72
37	Strong Money Market Fund/Strong	10/85	5.7	78	676	1,000	0.80p
16	Transamerica Cash Reserve/Transamerica	8/80	5.2	343	8	1,000	0.54
28	Trinity Liquid Assets Trust/Institutional	1/83	6.0	415	14	1,000	0.57
46	Trust for Cash Reserves/Milwaukee Co	2/80	5.4	200	7	1,000	0.99
58	Tucker Anthony Cash Management/Tucker Anthony	4/81	5.4	699	35	1,000	0.85
36	20th Century Cash Reserve/20th Century	3/85	5.4	248	252	none	1.01
41	UMB Money Market-Prime/Jones & Babson	11/82	5.3	65	6	1,000	0.50
38	United Cash Management/Waddell & Reed	8/79	5.5	242	–15	1,000	1.07
50	USAA Mutual-Money Market/USAA	2/81	6.0	443	61	1,000	0.85
86	UST Master Funds-Money/Boston Co	5/85	5.8	266	37	10,000	0.56
41	Value Line Cash Fund/Value Line	4/79	5.7	497	10	1,000	0.76
20	Vanguard MM Reserves-Insured/Vanguard	2/83	5.4	76	45	1,000	0.93
42	Vanguard MM Reserves-Prime/Vanguard	6/75	5.9	3,063	56	1,000	0.48
34	Vantage Money Market-Cash/Smith Barney	10/82	5.6	448	26	†	0.61
42	Webster Cash Reserve Fund/Kidder	8/79	5.6	1,503	–3	1,500	0.64
36	Working Assets Money Fund/Working Assets	8/83	5.3	109	28	1,000	1.15‡
Tax-exempt money market funds							
39	Active Assets Tax-Free Trust/Dean Witter	7/81	3.9	1,052	10	†	0.58‡
70	Alliance Tax-Exempt Reserves-General/Alliance	1/83	4.0	310	4	1,000	0.80‡
12	Benham Calif Tax-Free-Money Market/Benham	11/83	3.8	309	88	1,000	0.71
53	Boston Co Massachusetts Tax Free/Boston Co	7/83	3.9	137	23	1,000	0.66‡

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Minimum initial investment	Annual expenses per $100
	FORBES government money fund composite		5.5%				
	FORBES general money fund composite		5.6%				
	FORBES tax-free money fund composite		3.9%				
Tax-exempt money market funds							
49	California Daily Tax Free Income Fund/Reich & Tang	12/86	—*	$69	—	$5,000	NA‡
80	Calvert Tax-Free Reserves-MM/Calvert	4/81	4.3%	721	42%	2,000	$0.67
20	Cardinal Tax Exempt Money Trust/Ohio Co	9/83	3.6	78	25	1,000	0.75
45	Carnegie Tax Free Income Trust/Carnegie	8/82	4.0	322	–3	1,000	0.60
72	Cash Accumulation-National Tax Exempt/Thomson	11/84	3.8	320	4	1,000	0.66‡
19	Centennial Tax Exempt Trust/Centennial	9/81	4.1	464	–1	1,000	0.79‡
70	Cigna Tax-Exempt Cash Fund/Cigna	9/82	4.1	60	58	1,000	0.59‡
41	CMA Tax-Exempt Fund/MLPF&S	1/81	3.9	7,733	6	†	0.55‡
54	Command Tax-Free Fund/Command	2/82	3.9	692	27	†	0.67‡
61	Connecticut Daily Tax Free Income/Reich & Tang	5/85	3.7	241	55	5,000	0.75‡p
61	Cortland Trust-Tax-Free Money Market/Cortland	6/85	3.9	83	55	1,000	0.59p
31	Counsellors N Y Tax Exempt Fund/Warburg Pincus	4/87	3.7	88	20	1,000	0.45p
53	Current Interest-Tax Free/Criterion	5/83	3.7	99	–8	1,000	0.77‡
40	Daily Tax Free Income Fund/Reich & Tang	11/82	3.9	1,122	–5	5,000	0.74‡
28	DBL Tax-Free Fund-Money Market/Drexel	4/83	3.9	546	–2	1,000	0.62‡
35	Dean Witter/Sears Tax-Free Daily Income/Dean Witter	2/81	3.8	954	–1	5,000	0.61‡
49	Delaware Tax-Free Money Fund/Delaware	9/81	3.9	70	–1	5,000	0.76
89	Dreyfus California Tax Exempt MM/Dreyfus	1/86	3.9	287	245	2,500	0.53p
66	Dreyfus Tax Exempt Money Market/Dreyfus	8/80	4.0	2,921	14	5,000	0.57
38	Eaton Vance Tax-Free Reserves/Eaton Vance	12/82	3.8	59	3	1,000	0.76
91	Empire Tax Free Money Market/Reich & Tang	5/84	3.6	227	40	5,000	0.82‡
39	Federated Tax-Free Trust/Federated	3/79	3.9	3,586	–6	25,000	0.45
39	Fidelity Calif Tax-Free-Money Market/Fidelity	7/84	3.8	490	198	2,500	0.60p
56	Fidelity Mass Tax-Free-Money Market/Fidelity	11/83	3.7	553	69	2,500	0.63
90	Fidelity NY Tax-Free-Money Market/Fidelity	7/84	3.7	487	114	2,500	0.60p
48	Fidelity Tax-Exempt Money Market/Fidelity	1/80	4.0	3,823	–1	5,000	0.45
44	First Lakeshore Tax Exempt Money Market/Dreyfus	2/86	3.9	145	3	1,000	0.71‡
49	Flag Investors T-F Cash Reserve-General/Brown & Sons	3/83	4.0	244	–9	1,500	0.44p
24	Franklin Calif Tax-Exempt Money Fund/Franklin	9/85	3.9	359	155	1,500	0.68
49	Franklin Tax-Exempt Money Fund/Franklin	2/82	4.2	170	29	1,500	0.76‡
64	General Tax Exempt Money Market/Dreyfus	12/83	3.9	572	0	2,500	0.61‡
71	IDS Tax-Free Money Fund/IDS	8/80	3.7	127	28	2,000	0.69‡
62	Kidder Peabody Tax Exempt MM/Kidder	7/83	3.9	914	0	1,500	0.56
64	Lazard Frères-Tax-Free Money Market Fund[1]/Lazard	10/82	4.0	393	–17	2,500	0.69‡
29	Legg Mason Tax Exempt Trust/Legg Mason	7/83	3.8	92	–4	5,000	0.71‡
63	Lehman Management Tax-Free Reserves Fund/Lehman	1/86	3.8	122	5	1,000	0.63
73	Lexington Tax Free Money Fund/Lexington	10/77	4.0	92	–29	1,000	0.69
65	McDonald Tax Exempt M M Fund/McDonald	8/85	3.6	106	8	1,000	0.92‡
83	Midwest Group Tax Free-MM/MGF	9/81	3.9	107	29	2,500	0.93‡
101	Money Management Plus-Tax Free/Calvert	10/84	4.1	179	38	†	0.96‡

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Fund Ratings/Money Market

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets 6/30/87 (millions)	Total assets % change '87 vs '86	Minimum initial investment	Annual expenses per $100
	FORBES government money fund composite		5.5%				
	FORBES general money fund composite		5.6%				
	FORBES tax-free money fund composite		3.9%				
Tax-exempt money market funds							
69	Municipal Cash Reserve Management/Hutton	5/81	4.1%	$2,047	–7%	$10,000	$0.50p
41	Neuberger & Berman Tax-Free Money/Neuberger	12/84	4.1	192	18	2,000	0.72‡
53	New England Tax Exempt M M/New England	1/83	3.8	57	28	1,000	0.56
21	Nuveen California Tax-Free-Money Market/Nuveen	4/86	3.9	285	252	5,000	0.50‡
23	Nuveen Tax-Exempt Money Market Fund/Nuveen	4/81	4.1	1,868	–20	25,000	0.40
22	Nuveen Tax-Free Reserves/Nuveen	11/82	3.9	309	26	1,000	0.74‡
39	AT Ohio Tax-Free Money Fund/Federated	7/85	3.7	227	37	25,000	0.63p
33	Pacific Horizon-Tax-Exempt Money Market/Dreyfus	3/84	3.7	99	71	1,000	0.84‡
33	PaineWebber RMA-Tax-Free/PaineWebber	10/82	3.7	943	6	†	0.62
83	Park Ave NY Tax Exempt Money Market/Dreyfus	11/84	3.5	280	37	2,500	0.83‡
NA	Pierpont Tax Exempt MM Fund/Morgan Stanley	9/83	NA	1,167[1]	NA	25,000	0.57
24	T Rowe Price Tax-Exempt Money Fund/Price	4/81	4.1	1,279	10	1,000	0.60
41	Prudential-Bache Muni-New York MM/Pru-Bache	4/85	3.8	134	35	1,000	0.57p
39	Prudential-Bache Tax-Free Money Fund/Pru-Bache	8/79	3.9	709	0	1,000	0.68‡
72	Reserve New York Tax-Exempt Trust-NY/Resrv	11/83	3.5	90	10	1,000	1.00‡p
52	Reserve Tax-Exempt Trust-Connecticut/Resrv	4/85	3.7	235	16	1,000	1.00‡p
66	Reserve Tax-Exempt Trust-Interstate/Resrv	11/83	3.9	281	14	1,000	1.00‡p
14	LF Rothschild Exempt Fund/Rothschild	11/83	3.8	140	6	2,500	0.68
56	St Clair Tax-Free Fund-Money Market/Fairfield	9/85	3.9	66	–20	2,500	0.49p
27	Scudder Tax-Free Money Fund/Scudder	1/80	3.7	397	23	1,000	0.63
47	Shearson California Daily Tax-Free/Shearson	11/85	3.7	153	45	2,500	0.65
62	Shearson Daily Tax-Free Dividend/Shearson	10/82	3.9	743	6	2,500	0.65
60	Shearson FMA Municipal Fund/Shearson	3/82	3.9	1,001	12	†	0.63
58	Shearson New York Daily Tax-Free/Shearson	11/85	3.7	171	57	2,500	0.67
45	Standby Tax Exempt Reserve Fund/Cowen	4/86	4.0	61	24	2,000	0.39
19	SteinRoe Tax-Exempt Money Fund/Stein Roe	3/83	3.8	284	37	2,500	0.70p
28	Tax-Exempt Money Market Fund/Kemper	7/82	3.9	1,716	26	1,000	0.62‡
24	Tax-Free Accounts/Nuveen	12/83	4.0	384	52	none	0.55p
38	Tax-Free Instruments Trust/Federated	12/82	3.7	1,402	12	none	0.55p
59	Tax-Free Money Fund/Smith Barney	4/81	3.9	1,112	28	5,000	0.53
65	Tucker Anthony Tax-Exempt Money/Tucker Anthony	12/82	3.9	239	50	1,000	0.49p
57	UMB Tax-Free Money Market/Jones & Babson	12/82	3.9	76	26	1,000	0.52
57	USAA Tax Exempt Fund-Money Market/USAA	2/84	4.4	515	137	10,000	0.47
50	UST Master Tax-Exempt Funds-Short Term/Boston Co	5/85	4.2	516	40	10,000	0.54
63	Value Line Tax Exempt-Money Market/Value Line	3/84	3.8	61	70	1,000	0.96
63	Vanguard Muni Bond-Money Market/Vanguard	5/80	4.2	1,815	75	3,000	0.33

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Table of distributors, showing addresses and phone numbers, begins on page 268.

Closed-end funds

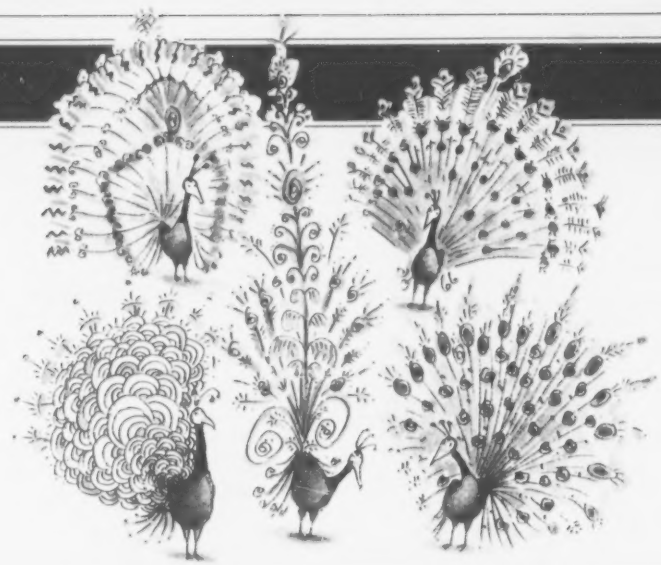
Unlike the more common open-end funds, closed-end funds have a fixed number of shares outstanding. In consequence, shares in these funds can trade at a discount or premium to the net asset values of the investments they hold. Since we are measuring portfolio skill, not investment results, performance data in our ratings tables (pages preceding) are based on net asset values, not share prices. But an investor's results would be determined, of course, by the latter. The past year has seen a spate of new closed-end bond as well as stock and balanced funds. Premiums and discounts shown here are based on net asset values and share prices as of June 30. For dual funds, the premium or discount is calculated as if the capital and income shares were merged into a single share.

Fund	% premium (+) or discount (–)
STOCK	
Adams Express	–2.5%
ASA Limited	–34.6
Asia Pacific Fund	4.3
Baker, Fentress & Co	–16.5
Blue Chip Value Fund	1.6
Central Securities	–14.7
Claremont Capital	0.2
Clemente Global Growth Fund	–1.1
Convertible Holdings-Capital Convertible Holdings-Income	–11.6
Counsellors Tandem Fund	–17.6
Cypress Fund	–15.5
Dover Regional Financial Shares	–15.1
Ellsworth Convertible Growth & Inc	–13.5
Emerging Medical Technology Fund	–14.1
Engex	1.6
Equity Guard Stock Fund	–16.4
First Financial Fund	–19.3
France Fund	–19.9
Gabelli Equity Trust	–15.0
General American Investors	–12.8
Global Growth & Income-Growth Global Growth & Income-Income	6.0
Global Yield Fund	–7.0
Growth Stock Outlook Trust	–10.1
H&Q Healthcare Investors	–13.6
Italy Fund	–5.7
Japan Fund	–5.8
Korea Fund	110.2
Lehman Corp	–9.1
Liberty All-Star Equity Fund	–18.7
Lincoln National Convertible Secs	–11.8

Fund	% premium (+) or discount (–)
STOCK	
Malaysia Fund	17.4%
Mexico Fund	–31.3
Morgan Grenfell SmallCap Fund	–0.6
Niagara Share Corp	–12.8
Nicholas Applegate Fund	–13.7
Petroleum & Resources Corp	–2.3
Pilgrim Regional Bankshares	–18.5
Progressive Income Equity	5.5
Quest for Value Dual Purpose-Cap Quest for Value Dual Purpose-Inc	–12.0
Regional Fincl Shares Investment	–16.7
Royce Value Trust	–8.7
Scandinavia Fund	–16.4
Scudder New Asia Fund	3.9
Source Capital	–0.6
Spectra Fund	–23.2
Taiwan Fund	94.7
TCW Convertible Securities Fund	–6.9
Templeton Emerging Markets	–2.1
Tri-Continental Corp	–2.0
Vanguard Gemini II Capital Vanguard Gemini II Income	3.2
World Wide Value Fund	–18.7
Zweig Fund	–8.7
Z-Seven Fund	15.0
BALANCED	
American Capital Convertible Secs	8.6
Bancroft Convertible Fund	–7.4%
Castle Convertible Fund	–4.1
Duff & Phelps Selected Utilities	7.8
First Australia Fund	–17.8

Fund	% premium (+) or discount (–)
BOND	
American Capital Bond Fund	–2.3%
AMEV Securities	1.7
Bunker Hill Income Securities	7.2
Circle Income Shares	6.2
CNA Income Shares	0.6
Colonial Municipal Income Trust	0.8
Current Income Shares	–5.5
Drexel Bond-Debenture Trading Fd	4.2
Excelsior Income Shares	–3.9
First Australia Prime Income Fund	–9.4
First Boston Income Fund	5.0
Fort Dearborn Income Securities	–1.0
Hatteras Income Securities	6.8
INA Investment Securities	–1.1
Independence Square Income Secs	–4.1
InterCapital Income Securities	10.7
John Hancock Income Securities	–2.4
John Hancock Investors	–0.9
Kleinwort Benson Australian Inc Fd	–8.3
Lincoln National Direct Placement	–7.7
MassMutual Corporate Investors	20.0
MassMutual Income Investors	3.5
MFS Government Markets Inc Tr	4.9
MFS Multimarket Income Trust	7.2
MFS Municipal Income Trust	3.0
Montgomery Street Income Secs	7.1
Mutual of Omaha Interest Shares	14.2
Nuveen Municipal Value Fund	7.0
Pacific American Income Shares	–4.0
Revere AE Capital Fund	0.7
State Mutual Securities	1.5
Transamerica Income Shares	10.0
USLife Income Fund	9.8
Vestaur Securities	–8.8

Distributors



Fund distributors manage mutual funds and market them by providing prospectuses and other information. A fund without a separate distributor is listed under the name of the fund itself. The "exchange privilege" refers to the ability to switch from one fund to others in the same family. In some cases those others are too small to be listed here.

Distributor	Type of fund
Acorn Fund 2 North LaSalle Street Suite 500 Chicago, IL 60602-3790 (312) 621-0630* (local) Exchange privilege: Yes	
Acorn Fund	ST
Adtek Fund 4920 West Vliet Street Milwaukee, WI 53208 (414) 257-1842 (local) Exchange privilege: No	
ADTEK Fund	ST
Advanced Information Management PO Box 2798 Boston, MA 02208 (617) 482-9300 (local) Exchange privilege: No	
GAM Funds-Global	ST
GAM Funds-International	ST
Advest Group 280 Trumbull Street Hartford, CT 06103 (800) 842-3807 (local) (800) 243-8115 (out of state) Exchange privilege: Yes	
Advantage Government Securities	BD
Advantage Growth Fund	ST
Advantage Income Fund	BA
AFA Distributors 50 Broad Street New York, NY 10004 (212) 482-8100* (local) (800) 654-0001 (out of state) Exchange privilege: Yes	
National Aviation & Technology	ST
National Telecomm & Technology	ST

Distributor	Type of fund
Affiliated Investor Service 3550 Lander Road Pepper Pike, OH 44124 (216) 292-3434* (local) Exchange privilege: No	
Maxus Fund	BD
Afuture Fund Legal Arts Building Front & Lemon Streets Media, PA 19063 (215) 565-3131* (local) (800) 523-7594 (out of state) Exchange privilege: No	
Afuture Fund	ST
AIM Distributors 11 Greenway Plaza Suite 1919 Houston, TX 77046 (800) 392-9681 (local) (800) 231-0803 (out of state) Exchange privilege: Yes	
Aim Convertible Securities	BA
Associated Planners Stock Fund	ST
Charter Fund	ST
Constellation Growth Fund	ST
Greenway Fund	ST
High Yield Securities	BD
Summit Investor's Fund	ST
Weingarten Equity Fund	ST

ST Stock fund
BA Balanced fund
BD Bond & preferred fund
MU Municipal bond fund
MM Money market fund

Distributor	Type of fund
Fred Alger Management 75 Maiden Lane New York, NY 10038 (800) 992-3863 (nationwide) Exchange privilege: Yes	
Alger Fund-Growth	ST
Alliance Fund Distributors 140 Broadway New York, NY 10005 (800) 221-5672 (nationwide) Exchange privilege: Yes	
Alliance Balanced Shares	BA
Alliance Bond-High Grade	BD
Alliance Bond-High Yield	BD
Alliance Bond-Monthly Income Shares	BD
Alliance Bond-US Government	BD
Alliance Capital Reserves	MM
Alliance Convertible Fund	ST
Alliance Counterpoint Fund	ST
Alliance Dividend Shares	ST
Alliance Fund	ST
Alliance Global-Canadian Fund	ST
Alliance Global-World Equities	ST
Alliance Government Reserves	MM
Alliance Insured Cal Tax-Ex Shares	MU
Alliance International Fund	ST
Alliance Mortgage Securities Income	BD
Alliance Tax-Ex Reserves-General	MM
Alliance Tax-Free-High Income	MU
Alliance Tax-Free-Income-New York	MU
Alliance Tax-Free Shares	MU
Alliance Technology Fund	ST
Quasar Associates	ST
Surveyor Fund	ST
AMA Advisers PO Box 1111 Blue Bell, PA 19422 (215) 825-0400* (local) (800) 523-0864 (out of state) Exchange privilege: Yes	
AMA Growth Fund-Classic Growth	ST
AMA Growth Fund-Global Growth	ST
AMA Growth Fund-Growth + Income	ST
AMA Income Fund-Classic Income	BD
AMA Income Fund-Global Income	BD
AMA Income Fund-Global Short Term	BD
Medical Technology Fund	ST

*Will accept collect calls

Distributor	Type of fund
American Capital Marketing 2800 Post Oak Boulevard Houston, TX 77056 (713) 993-0500* (local) (800) 231-3638 (out of state) Exchange privilege: Yes	
American Capital Calif Tax-Exempt	MU
American Capital Comstock Fund	ST
American Capital Corp Bond Fund	BD
American Capital Enterprise Fund	ST
American Capital Federal Mortgage	BD
American Capital Govt Securities	BD
American Capital Harbor Fund	BA
American Capital High Yield Inv	BD
American Capital Muni Bond Fund	MU
American Capital OTC Securities	ST
American Capital Pace Fund	ST
American Capital Reserve Fund	MM
American Capital Tax-Exempt Hi Yield	MU
American Capital Tax-Exempt-Insured	MU
American Capital Tax-Exempt-NY	MU
American Capital Venture Fund	ST
Common Sense-Government	BD
Common Sense-Growth	ST
Common Sense-Growth & Income	ST
Fund of America	ST
Provident Fund for Income	BA
American Funds Distributors 333 South Hope Street Los Angeles, CA 90071 (800) 421-0180 (local) (800) 421-9900 (out of state) Exchange privilege: Yes	
Amcap Fund	ST
American Balanced Fund	BA
Amer Funds Income-US Govt Guar	BD
American T-E Series I-Maryland	MU
American T-E Series I-Virginia	MU
American T-E Series II-California	MU
American Mutual Fund	ST
Bond Fund of America	BD
Cash Management Trust of America	MM
EuroPacific Growth Fund	ST
Fundamental Investors	ST
Growth Fund of America	ST
Income Fund of America	BA
Investment Company of America	ST
New Economy Fund	ST
New Perspective Fund	ST
Tax-Exempt Bond Fund of America	MU
Washington Mutual Investors	ST
American Growth Fund Sponsors 410 17th Street Suite 800 Denver, CO 80202 (303) 623-6137 (local) (800) 525-2406 (out of state) Exchange privilege: No	
American Growth Fund	ST
American Investment Managers 107 North Adams Street Rockville, MD 20850 (301) 251-1002* (local) (800) 638-2042 (out of state) Exchange privilege: Yes	
Dividend/Growth-Dividend	ST

Distributor	Type of fund
American Investors PO Box 2500 Greenwich, CT 06836 (203) 531-5000* (local) (800) 243-5353 (out of state) Exchange privilege: Yes	
American Investors Growth Fund	ST
American Investors Income Fund	BD
American Pension Investors PO Box 2529 Lynchburg, VA 24501 (800) 533-4115 (local) (800) 544-6060 (out of state) Exchange privilege: No	
American Pension Investors Trust	ST
AMEV Investors PO Box 64284 St Paul, MN 55164 (800) 328-1001 (local) (800) 872-2638 (out of state) Exchange privilege: Yes	
AMEV Capital Fund	ST
AMEV Fiduciary Fund	ST
AMEV Growth Fund	ST
AMEV Money Fund	MM
AMEV Tax-Free Fund-Minnesota	MU
AMEV Tax-Free Fund-National	MU
AMEV US Govt Securities Fund	BD
Analytic Optioned Equity Fund 2222 Martin Street Suite 230 Irvine, CA 92715 (714) 833-0294* (local) Exchange privilege: Yes	
Analytic Optioned Equity Fund	ST
Angeles Securities 10301 West Pico Boulevard Los Angeles, CA 90064 (213) 277-4900 (local) (800) 421-4374 (out of state) Exchange privilege: Yes	
FPA Capital Fund	ST
FPA New Income Fund	BD
FPA Paramount Fund	ST
FPA Perennial Fund	ST
Aquila Distributors 200 Park Avenue Suite 4515 New York, NY 10017 (212) 697-6666* (local) (800) 228-4227 (out of state) Exchange privilege: Yes	
Capital Cash Management Trust	MM
Cash Assets Trust	MM
Churchill Cash Reserves Trust	MM
Hawaiian Tax-Free Trust	MU
Prime Cash Fund	MM
Short Term Asset Reserves	MM
Tax-Free Trust of Arizona	MU
Tax-Free Trust of Oregon	MU

Distributor	Type of fund
Armstrong Associates 311 North Market Street Dallas, TX 75202 (214) 744-5558* (local) Exchange privilege: No	
Armstrong Associates	ST
Axe Securities Corp 400 Benedict Avenue Tarrytown, NY 10591 (914) 631-8131* (local) (800) 431-1030 (out of state) Exchange privilege: Yes	
Axe-Houghton Fund B	BA
Axe-Houghton Income Fund	BD
Axe-Houghton Money Market Fund	MM
Axe-Houghton Stock Fund	ST
Bailard, Biehl & Kaiser 951 Mariner's Island Boulevard Suite 700 San Mateo, CA 94404 (415) 571-5800* (local) Exchange privilege: Yes	
Bailard, Biehl & Kaiser International	ST
BB&K Diversa Fund	BA
Robert W Baird & Co 777 East Wisconsin Avenue Milwaukee, WI 53202 (800) 792-2473 (nationwide) Exchange privilege: No	
Baird Capital Development Fund	ST
Bankers Systems Financial Services PO Box 517 St Cloud, MN 56302 (800) 247-0317 (local) (800) 328-1375 (out of state) Exchange privilege: Yes	
Bankers Systems Granit-Govt Secs	BD
Bankers Systems Granit-Growth Stock	ST
Bartlett Capital Trust 36 East Fourth Street Cincinnati, OH 45202 (800) 327-4363 (local) (800) 543-0863 (out of state) Exchange privilege: Yes	
Bartlett Capital-Basic Value	ST
Bartlett Capital-Fixed Income	BD
Beacon Hill Mutual Fund 75 Federal Street Boston, MA 02110 (617) 482-0795 (local) Exchange privilege: No	
Beacon Hill Mutual Fund	ST
Bench Securities 222 Bridge Plaza South Fort Lee, NJ 07024 (201) 585-2333* (local) (800) 422-3624 (out of state) Exchange privilege: Yes	
Bench Portfolios-Blue Chip	ST

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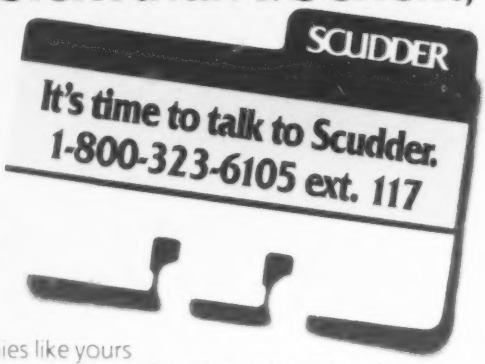

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Distributor	Type of fund
Benham Capital Management 755 Page Mill Road Palo Alto, CA 94304 (800) 982-6150 (local) (800) 227-8380 (out of state) Exchange privilege: Yes	
Benham Calif Tax-Free-Insured	MU
Benham Calif Tax-Free-Intermediate	MU
Benham Calif Tax-Free-Long-Term	MU
Benham Calif Tax-Free-Money Market	MM
Benham Calif Tax-Free-High Yield	MU
Benham Government Income-GNMA	BD
Benham Natl Tax-Free-Intermediate	MU
Benham Natl Tax-Free-Long Term	MU
Benham Target Maturities-Series 1990	BD
Benham Target Maturities-Series 1995	BD
Benham Target Maturities-Series 2000	BD
Capital Preservation Fund	MM
Capital Preservation Fund II	MM
Capital Preservation Treasury Note	BD
Berger Associates 899 Logan Street Suite 211 Denver, CO 80203 (800) 333-1001 (nationwide) Exchange privilege: Yes	
One Hundred Fund	ST
One Hundred One Fund	ST
Berwyn Fund 1189 Lancaster Avenue Berwyn, PA 19312 (215) 640-4330 (local) Exchange privilege: No	
Berwyn Fund	ST
Birr, Wilson & Co 155 Sansome Street San Francisco, CA 94104 (800) 826-6294 (local) (800) 227-4398 (out of state) Exchange privilege: No	
Birr, Wilson Money Fund	MM
Boston Co Funds Distributor One Boston Place Boston, MA 02108 (800) 225-5267 (nationwide) Exchange privilege: Yes	
Boston Co Capital Appreciation	ST
Boston Co Cash Mgmt Fund	MM
Boston Co GNMA Fund	BD
Boston Co Managed Income Fund	BD
Boston Co Massachusetts Tax Free	MM
Boston Co Special Growth Fund	ST
Boston Co Tax-Free Muni-Bond	MU
Boston Co Tax-Free Muni-Mass Bond	MU
UST Master Funds-Equity	ST
UST Master Funds-Govt Money	MM
UST Master Funds-Income & Growth	ST
UST Master Funds-Managed Income	BD
UST Master Funds-Money	MM
UST Master Tax-Ex Intermediate	MU
UST Master Tax-Exempt Long Term	MU
UST Master Tax-Exempt Short Term	MM

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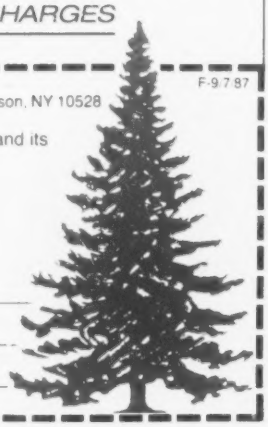

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Boston Mutual Sales Corp 120 Royall Street Canton, MA 02021 (617) 828-7000 (local) Exchange privilege: No	
Boston Mutual Fund	ST
Brandywine Fund PO Box 4166 Greenville, DE 19807 (302) 656-3017 (local) Exchange privilege: No	
Brandywine Fund	ST
Bridges Investment Fund 8401 West Dodge Road Omaha, NE 68114 (402) 397-4700 (local) Exchange privilege: No	
Bridges Investment Fund	ST
Alex Brown & Sons 135 East Baltimore Street Baltimore, MD 21202 (800) 638-3868 (local) (800) 638-2596 (out of state) Exchange privilege: Yes	
Alex Brown Cash Reserve-Govt	MM
Alex Brown Cash Reserve-Prime	MM
Flag Investors Corporate Cash	ST
Flag Investors International Trust	ST
Flag Inv T-F Cash Reserve-General	MM
Bruce Fund 20 North Wacker Drive Suite 1425 Chicago, IL 60606 (312) 236-9160 (local) Exchange privilege: No	
Bruce Fund	BA
Bull & Bear Group 11 Hanover Square New York, NY 10005 (212) 785-0900 (local) (800) 847-4200 (out of state) Exchange privilege: Yes	
Bull & Bear Capital Growth Fund	ST
Bull & Bear Dollar Reserves	MM
Bull & Bear Equity-Income Fund	ST
Bull & Bear High Yield Fund	BD
Bull & Bear Tax-Free Income Fund	MU
Bull & Bear US Govt Guaranteed Secs	BD
Golconda Investors	ST
Calamos Asset Management 2001 Spring Road Suite 750 Oakbrook, IL 60521 (800) 821-6458 (local) (800) 251-2411 (out of state) Exchange privilege: No	
Calamos Convertible Income	ST

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Fund Distributors

Distributor	Type of fund
California Investment Trust Group 44 Montgomery Street Suite 2200 San Francisco, CA 94104 (800) 225-8778 (out of state) Exchange privilege: No	
California Investment II-US Govt Secs	BD
California Investment T-F Income	MU
Calvert Group 1700 Pennsylvania Avenue NW Washington, DC 20006 (301) 951-4800* (local) (800) 368-2748 (out of state) Exchange privilege: Yes	
Calvert Fund-Equity	ST
Calvert Fund-Income	BD
Calvert Washington Area Growth	ST
Calvert Social Invest-Managed Growth	BA
Calvert Social Invest-Money Market	MM
Calvert Tax-Free Reserves-Limited	MU
Calvert Tax-Free Reserves-Long Term	MU
Calvert Tax-Free Reserves-MM	MM
First Variable Rate for Govt Income	MM
Money Management Plus-Prime	MM
Money Management Plus-Tax Free	MM
CAM Fund PO Box 1987 Valley Forge, PA 19481 (800) 362-7400 (local) (800) 423-2345 (out of state) Exchange privilege: No	
CAM Fund	MM
Carnegie Fund Distributors 1331 Euclid Avenue Cleveland, OH 44115 (216) 781-4440* (local) (800) 321-2322 (out of state) Exchange privilege: Yes	
Carnegie-Cappiello-Growth	ST
Carnegie-Cappiello-Total Return	ST
Carnegie Govt Secs-High Yield Govt	BD
Carnegie Govt Secs-Money Market	MM
Carnegie Tax Ex Income-Georgia Ins	MU
Carnegie Tax Ex Income-Minn Ins	MU
Carnegie Tax Ex Income-Natl High Yld	MU
Carnegie Tax Ex Income-National Ins	MU
Carnegie Tax Ex Income-Ohio General	MU
Carnegie Tax Exempt Income-Ohio Ins	MU
Carnegie Tax Free Income Trust	MM
Liquid Capital Income Trust	MM
Centennial Capital Corp 3410 South Galena Street Denver, CO 80231 (800) 356-3556 (local) (800) 525-7048 (out of state) Exchange privilege: Yes	
Centennial Government Trust	MM
Centennial Money Market Trust	MM
Centennial Tax Exempt Trust	MM
Daily Cash Accumulation Fund	MM
Century Shares Trust One Liberty Square Boston, MA 02109 (617) 482-3060* (local) (800) 321-1928 (out of state) Exchange privilege: No	
Century Shares Trust	ST

Distributor	Type of fund
Cigna Securities S-115 Hartford, CT 06152 (203) 726-6000 (local) Exchange privilege: Yes	
Cigna Aggressive Growth Fund	ST
Cigna Cash Fund	MM
Cigna Government Securities	BD
Cigna Growth Fund	ST
Cigna High Yield Fund	BD
Cigna Income Fund	BD
Cigna Money Market Fund	MM
Cigna Municipal Bond Fund	MU
Cigna Tax-Exempt Cash Fund	MM
Cigna Value Fund	ST
Claremont Company 250 West First Street Suite 220 Claremont, CA 91711 (800) 554-5106 (local) (800) 826-8896 (out of state) Exchange privilege: Yes	
Claremont Fund-Combined	BA
Claremont Fund-Government Bond	BD
Colonial Investment Services One Financial Center Boston, MA 02111 (617) 426-3750* (local) (800) 225-2365 (out of state) Exchange privilege: Yes	
Colonial Advanced Strategies Gold	BA
Colonial California Tax-Exempt	MU
Colonial Equity Income Trust	ST
Colonial Fund	BA
Colonial Govt Money Market	MM
Colonial Govt Mortgage Trust	BD
Colonial Govt Securities Plus	BD
Colonial Growth Shares Trust	ST
Colonial High Yield Securities	BD
Colonial Income Trust	BD
Colonial International Equity Index	ST
Colonial Michigan Tax-Exempt Trust	MU
Colonial Minnesota Tax-Exempt	MU
Colonial New York Tax-Exempt Trust	MU
Colonial Ohio Tax-Exempt Trust	MU
Colonial Small Stock Index Trust	ST
Colonial Strategic Income-Diversified	ST
Colonial Strategic Income-Income Plus	ST
Colonial Tax-Exempt-High Yield	MU
Colonial Tax-Exempt-Insured Fund	MU
Colonial US Equity Index Trust	ST
Columbia Management Co 1301 SW 5th Avenue PO Box 1350 Portland, OR 97207 (800) 452-4512 (local) (800) 547-1037 (out of state) Exchange privilege: Yes	
Columbia Daily Income Company	MM
Columbia Fixed Income Securities	BD
Columbia Growth Fund	ST
Columbia Municipal Bond Fund	MU
Columbia Special Fund	ST

Distributor	Type of fund
Command Money Market Funds 130 John Street 19th Floor New York, NY 10292 (212) 791-4904 (local) Exchange privilege: No	
Command Government Fund	MM
Command Money Fund	MM
Command Tax-Free Fund	MM
Commodore Securities 250 Piedmont Avenue Suite 2100 Atlanta, GA 30365 (404) 524-4415 (local) (800) 367-6536 (out of state) Exchange privilege: Yes	
Alpha Fund	ST
Connecticut Mutual Financial Services 140 Garden Street Hartford, CT 06154 (203) 727-6500* (local) (800) 243-2501 (out of state) Exchange privilege: Yes	
Connecticut Mutual-Government Secs	BD
Connecticut Mutual-Growth	ST
Connecticut Mutual-Income	BD
Connecticut Mutual-Liquid Account	MM
Connecticut Mutual-Total Return	ST
Continental Equity Corp of America 180 Maiden Lane 11th Floor New York, NY 10038 (800) 626-3863 (nationwide) Exchange privilege: Yes	
Continental Equity Plus Fund	ST
Continental Option Income Plus II	ST
Continental US Government Plus	BD
Conway, Luongo, Williams 3000 Sand Hill Road Menlo Park, CA 94025 (415) 854-9150 (local) Exchange privilege: No	
Adam Investors	ST
Copley Financial Services Corp 109 Howe Street Fall River, MA 02724 (617) 674-8459* (local) Exchange privilege: No	
Copley Fund	ST
Cortland Distributors 3 University Plaza Hackensack, NJ 07601 (201) 342-6066* (local) (800) 433-1918 (out of state) Exchange privilege: Yes	
Cortland-General Money Market	MM
Cortland-Tax-Free Money Market	MM

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Distributor	Type of fund
Country Capital Management Co PO Box 2222 Bloomington, IL 61701 (309) 557-2444 (local) Exchange privilege: Yes	
Country Capital Growth Fund	ST
Country Capital Income Fund	BA
Country Capital Tax Exempt Bond	MU
Cowen & Co One Battery Park Plaza New York, NY 10004 (212) 483-0700 (local) Exchange privilege: No	
Cowen Income + Growth Fund	ST
Standby Reserve Fund	MM
Standby Tax Exempt Reserve Fund	MM
Craig-Hallum 701 Fourth Avenue South-10th Floor Minneapolis, MN 55415 (800) 331-4923 (nationwide) Exchange privilege: No	
General Securities	ST
Criterion Distributors 1000 Louisiana Suite 6000 Houston, TX 77002 (800) 392-7802 (local) (800) 231-4645 (out of state) Exchange privilege: Yes	
Criterion Bond-Investment Quality	BD
Criterion Bond-US Govt High Yield	BD
Criterion Global Growth Fund	ST
Criterion Income-Comm Inc Shares	BA
Criterion Income-Convertible Secs	BD
Criterion Special-Lowry Mkt Timing	ST
Criterion Sunbelt Growth Fund	ST
Criterion Tax-Free High Yield	MU
Criterion Tax-Free Insured Quality	MU
Current Interest-Money Market	MM
Current Interest-Tax Free	MM
Current Interest-US Govt	MM
Pilot Fund	ST
Dean Witter Reynolds One World Trade Center New York, NY 10048 (212) 938-4554 (local) (800) 221-2685 (out of state) Exchange privilege: Yes	
Active Assets Govt Secs Trust	MM
Active Assets Money Trust	MM
Active Assets Tax-Free Trust	MM
Dean Witter American Value Fund	ST
Dean Witter Calif Tax-Free Income	MU
Dean Witter Convertible Secs	ST
Dean Witter Developing Growth Secs	ST
Dean Witter Dividend Growth Secs	ST
Dean Witter Govt Securities Plus	BD
Dean Witter High Yield Secs	BD
Dean Witter Natural Resource Dev	ST
Dean Witter NY Tax-Free Income	MU
Dean Witter Option Income Trust	ST
Dean Witter/Sears Liquid Asset	MM
Dean Witter/Sears Tax-Free Daily Inc	MM
Dean Witter/Sears US Govt MM Trust	MM
Dean Witter Tax-Exempt Secs	MU
Dean Witter US Govt Securities	BD
Dean Witter World Wide Investment	ST

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Fund Distributors

Distributor	Type of fund
Delaware Distributors 10 Penn Center Plaza Philadelphia, PA 19103 (215) 988-1333* (local) (800) 523-4640 (nationwide) Exchange privilege: Yes	
Decatur Fund-Series I	ST
Decatur Fund-Series II	ST
Delaware Cash Reserve	MM
Delaware Fund	ST
Delaware Group Government-GNMA	BD
Delaware Group Government-US Govt	BD
Delaware Tax-Free Money Fund	MM
Delaware Treasury Reserves-Investors	BD
DelCap Fund-Concept I	ST
Delchester Bond Fund	BD
Delta Trend Fund	ST
DMC Tax-Free Income Trust-PA	MU
DMC Tax-Free Income-USA	MU
DMC Tax-Free Income-USA Insured	MU
Diversified Securities PO Box 357 Long Beach, CA 90801 (213) 595-7711* (local) Exchange privilege: No	
Investors Research Fund	ST
Dodge & Cox One Post Street 35th Floor San Francisco, CA 94104 (415) 981-1710 (local) Exchange privilege: Yes	
Dodge & Cox Balanced Fund	BA
Dodge & Cox Stock Fund	ST
Drexel Burnham Lambert 60 Broad Street New York, NY 10004 (212) 482-1623* (local) (800) 272-2700 (out of state) Exchange privilege: Yes	
DBL Cash Fund-Govt Secs	MM
DBL Cash Fund-Money Market	MM
DBL Tax-Free Fund-Limited Term	MU
DBL Tax-Free Fund-Long Term	MU
DBL Tax-Free Fund-Money Market	MM
Drexel Burnham Fund	ST
Drexel Series-Bond-Debenture	BD
Drexel Series-Convertible Secs	ST
Drexel Series-Emerging Growth	ST
Drexel Series-Government Securities	BD
Drexel Series-Growth	ST
Drexel Series-Option Income	ST
Fenimore International Fund	ST

Distributor	Type of fund
Dreyfus Service Center 666 Old Country Road Garden City, NY 11530 (718) 895-1206 (local) (800) 645-6561 (out of state) Exchange privilege: Yes	
Dreyfus A Bonds Plus	BD
Dreyfus California Tax Exempt Bond	MU
Dreyfus California Tax Exempt MM	MM
Dreyfus Capital Value Fund	ST
Dreyfus Convertible Securities	BA
Dreyfus Fund	ST
Dreyfus General Aggressive Growth	ST
Dreyfus General Tax Exempt Bond	MU
Dreyfus GNMA Fund	BD
Dreyfus Growth Opportunity Fund	ST
Dreyfus Insured Tax Exempt Bond	MU
Dreyfus Intermediate Tax Ex Bond	MU
Dreyfus Leverage Fund	ST
Dreyfus Liquid Assets	MM
Dreyfus Massachusetts Tax Ex Bond	MU
Dreyfus MM Instruments-Govt Secs	MM
Dreyfus MM Instruments-MM	MM
Dreyfus New Leaders Fund	ST
Dreyfus NY Insured Tax Ex Bond	BD
Dreyfus NY Tax Exempt Bond Fund	MU
Dreyfus Short-Intermediate Tax Ex	MU
Dreyfus Strategic Aggressive Investing	ST
Dreyfus Strategic Income	BD
Dreyfus Strategic Investing	ST
Dreyfus Tax Exempt Bond Fund	MU
Dreyfus Tax Exempt Money Market	MM
Dreyfus Third Century Fund	ST
Dreyfus US Govt Intermediate Secs LP	BD
First Lakeshore Diversified Asset	BA
First Lakeshore Govt Money Market	MM
First Lakeshore Money Market Fund	MM
First Lakeshore Tax Ex Money Market	MM
General Money Market Fund	MM
General Tax Exempt Money Market	MM
Pacific Horizon-Aggressive Growth	ST
Pacific Horizon-Calif Tax-Ex Bond	MU
Pacific Horizon-Government MM	MM
Pacific Horizon-High Yield Bond	BD
Pacific Horizon-Money Market	MM
Pacific Horizon-Tax-Ex Money Market	MM
Park Ave NY Tax Ex Intermed Bond	MU
Park Ave NY Tax Ex Money Market	MM
Eaton Vance Distributors 24 Federal Street Boston, MA 02110 (617) 482-8260* (local) (800) 225-6265 (out of state) Exchange privilege: Yes	
Eaton & Howard Stock Fund	ST
Eaton Vance California Municipals	MU
Eaton Vance Cash Management Fund	MM
Eaton Vance Govt Obligations Trust	BD
Eaton Vance Growth Fund	ST
Eaton Vance High Income Trust	BA
Eaton Vance High Yield Fund	BD
Eaton Vance High Yield Municipals	MU
Eaton Vance Income Fund of Boston	BA
Eaton Vance Investors Fund	BA
Eaton Vance Muni Bond Fund	MU
Eaton Vance Special Equities Fund	ST
Eaton Vance Tax-Free Reserves	MM
Eaton Vance Total Return Trust	ST
Leverage Fund of Boston	ST
Nautilus Fund	ST
Vance, Sanders Special Fund	ST

Distributor	Type of fund
Eclipse Financial Management PO Box 2196 Peachtree City, GA 30269 (404) 631-0414* (local) (800) 872-2710 (out of state) Exchange privilege: Yes	
Eclipse Equity Fund	ST
EQSF Advisors 171 Madison Avenue Suite 1600 New York, NY 10016 (212) 683-7141* (local) Exchange privilege: No	
Equity Strategies Fund	ST
Equitec Securities PO Box 2470 Oakland, CA 94614 (800) 445-9052 (local) (800) 445-9020 (out of state) Exchange privilege: Yes	
Equitec Siebel Aggressive Growth	ST
Equitec Siebel High Yield Bond	BD
Equitec Siebel Total Return Fund	ST
Equitec Siebel US Govt Securities	BD
Equity Services National Life Drive Montpelier, VT 05604 (802) 229-3139* (local) (800) 233-4332 (out of state) Exchange privilege: Yes	
Sentinel Balanced Fund	BA
Sentinel Bond Fund	BD
Sentinel Cash Management Fund	MM
Sentinel Common Stock Fund	ST
Sentinel Government Securities	BD
Sentinel Growth Fund	ST
Fahnestock & Company 110 Wall Street New York, NY 10005 (212) 668-8108* (local) (800) 221-5588 (out of state) Exchange privilege: Yes	
Eagle Growth Shares	ST
Philadelphia Fund	ST
Fairfield Group Prudential Business Campus 232 Lakeside Drive Horsham, PA 19044 (800) 222-3429 (local) (800) 441-3885 (out of state) Exchange privilege: Yes	
St Clair Equity-Capital Growth	ST
St Clair Fixed Income-Intermed Bond	BD
St Clair Fixed Income-MM Prime Oblig	MM
St Clair Tax-Free Money Market	MM
Viking Equity Index Fund-General	ST

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Fund Distributors

Distributor	Type of fund
Fairmont Fund 1346 South Third Street Louisville, KY 40208 (502) 636-5633 (local) Exchange privilege: No	
Fairmont Fund	ST
FBL Investment Advisory Services 5400 University Avenue West Des Moines, IA 50265 (800) 422-3175 (local) (800) 247-4170 (out of state) Exchange privilege: Yes	
Farm Bureau Growth Fund	ST
Federated Securities Corp Federated Tower Pittsburgh, PA 15222-3779 (412) 288-1900* (local) (800) 245-2423 (out of state) Exchange privilege: Yes	
American Leaders Fund	ST
Federated Bond Fund	BD
Federated Corporate Cash Trust	BA
Federated Floating Rate Trust	BD
Federated GNMA Trust	BD
Federated Growth Trust	ST
Federated High Income Securities	BD
Federated High Quality Stock Fund	ST
Federated High Yield Trust	BD
Federated Income Trust	BD
Federated Intermediate Government	BD

Distributor	Type of fund
Federated Intermediate Municipal	MU
Federated Short-Intermediate Govt	BD
Federated Stock & Bond Fund	BA
Federated Stock Trust	ST
Federated Tax-Free Income Fund	MU
Federated Tax-Free Trust	MM
Federated US Government Fund	BD
Federated Utility Trust	ST
Fortress Convertible Secs & Income	BD
Fortress High Yield Tax-Free Fund	MU
FT International	ST
Fund for US Govt Securities	BD
Government Income Securities	BD
High Yield Cash Trust	MM
Liberty US Govt Money Market Trust	MM
Money Market Management	MM
AT Ohio Tax-Free Money Fund	MM
Tax-Free Instruments Trust	MM
Fidelity Distributors Corp 82 Devonshire Street Boston, MA 02109 (617) 523-1919* (local) (800) 544-6666 (out of state) Exchange privilege: Yes	
Fidelity Balanced Fund	BA
Fidelity Calif Tax-Free-High Yield	MU
Fidelity Calif Tax-Free-Insured	MU
Fidelity Calif Tax-Free-Money Market	MM

Distributor	Type of fund
Fidelity Capital Appreciation	ST
Fidelity Cash Reserves	MM
Fidelity Contrafund	ST
Fidelity Convertible Securities	ST
Fidelity Daily Income Trust	MM
Fidelity Destiny Portfolio I	ST
Fidelity Destiny Portfolio II	ST
Fidelity Equity-Income Fund	ST
Fidelity Europe Fund	ST
Fidelity Flexible Bond Fund	BD
Fidelity Freedom Fund	ST
Fidelity Fund	ST
Fidelity Ginnie Mae	BD
Fidelity Global Bond Fund	BD
Fidelity Government Securities	BD
Fidelity Growth & Income	ST
Fidelity Growth Company Fund	ST
Fidelity High Income Fund	BD
Fidelity Intermediate Bond Fund	BD
Fidelity Intl Growth & Income	ST
Fidelity Magellan Fund	ST
Fidelity Mass Tax-Free-High Yield	MU
Fidelity Mass Tax-Free-Money Market	MM
Fidelity Mortgage Securities	BD
Fidelity NY Tax-Free-High Yield	MU
Fidelity NY Tax-Free-Insured	MU
Fidelity NY Tax-Free-Money Market	MM
Fidelity OTC Portfolio	ST
Fidelity Overseas Fund	ST

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Distributor	Type of fund
Fidelity Pacific Basin Fund	ST
Fidelity Pennsylvania T-F-High Yield	MU
Fidelity Plymouth-Aggressive Income	BD
Fidelity Plymouth-Income & Growth	ST
Fidelity Puritan Fund	ST
Fidelity Real Estate Investment	ST
Fidelity Select-Air Transportation	ST
Fidelity Select-American Gold	ST
Fidelity Select-Automotive	ST
Fidelity Select-Biotechnology	ST
Fidelity Select-Broadcast & Media	ST
Fidelity Select-Brokerage & Invest	ST
Fidelity Select-Chemicals	ST
Fidelity Select-Computers	ST
Fidelity Select-Defense & Aerospace	ST
Fidelity Select-Electric Utilities	ST
Fidelity Select-Electronics	ST
Fidelity Select-Energy	ST
Fidelity Select-Energy Service	ST
Fidelity Select-Financial Services	ST
Fidelity Select-Food & Agriculture	ST
Fidelity Select-Health Care	ST
Fidelity Select-Industrial Materials	ST
Fidelity Select-Leisure	ST
Fidelity Select-Medical Delivery	ST
Fidelity Select-Money Market	MM
Fidelity Select-Paper & Forest Products	ST
Fidelity Select-Prec Metals & Minerals	ST
Fidelity Select-Property & Casualty	ST
Fidelity Select-Retailing	ST
Fidelity Select-Savings & Loan	ST

Distributor	Type of fund
Fidelity Select-Software & Computer	ST
Fidelity Select-Technology	ST
Fidelity Select-Telecommunications	ST
Fidelity Select-Utilities	ST
Fidelity Short-Term Bond	BD
Fidelity Special Situations-Initial	ST
Fidelity Special Situations-Plymouth	ST
Fidelity State Tax-Free-Michigan	MU
Fidelity State Tax-Free-Minnesota	MU
Fidelity State Tax-Free-Ohio	MU
Fidelity Tax-Exempt Money Market	MM
Fidelity Tax-Free-Aggressive	MU
Fidelity Tax-Free-High Yield	MU
Fidelity Tax-Free-Insured	MU
Fidelity Tax-Free-Limited Term Munis	MU
Fidelity Tax-Free-Municipal Bond	MU
Fidelity Texas Tax-Free	MU
Fidelity Trend Fund	ST
Fidelity US Government Reserves	MM
Fidelity Value Fund	ST
First American Money Fund	MM

Fiduciary Investment Co
230 South Tryon Street
Suite 345
Charlotte, NC 28202
(704) 331-0710 (local)
(800) 527-1578 (out of state)
Exchange privilege: No

Salem Funds-Growth	ST

Distributor	Type of fund

Fiduciary Management
222 East Mason Street
Milwaukee, WI 53202
(414) 271-6666* (local)
(800) 527-1578 (out of state)
Exchange privilege: No

Fiduciary Capital Growth Fund	ST

Financial Programs
PO Box 2040
Denver, CO 80201
(800) 332-9145 (local)
(800) 525-8085 (out of state)
Exchange privilege: Yes

Financial Bond Shares-High Yield	BD
Financial Bond Shares-Select Income	BD
Financial Bond Shares-US Government	BD
Financial Daily Income Shares	MM
Financial Dynamics Fund	ST
Financial Industrial Fund	ST
Financial Industrial Income Fund	ST
Financial Strategic-Energy	ST
Financial Strategic-Gold	ST
Financial Strategic-Health Sciences	ST
Financial Strategic-Leisure	ST
Financial Strategic-Pacific Basin	ST
Financial Strategic-Technology	ST
Financial Strategic-Utilities	ST
Financial Tax-Free Income Shares	MU
World of Technology	ST

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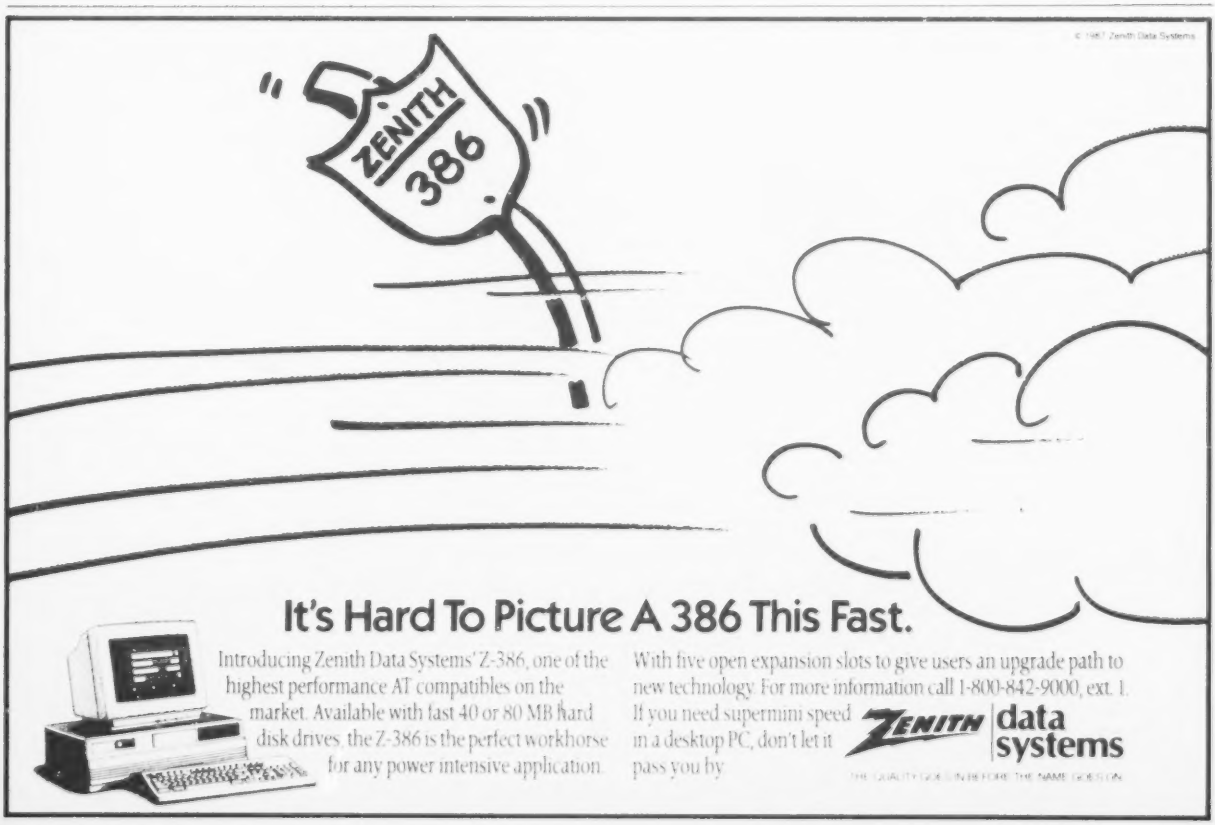

Fund Distributors

Distributor	Type of fund
First Investors Management Co 10 Woodbridge Center Drive Woodbridge, NJ 07095 (212) 208-6000 (local) (800) 423-4026 (out of state) Exchange privilege: Yes	
First Investors Bond Appreciation	BD
First Investors Cash Mgmt Fund	MM
First Investors Discovery Fund	ST
First Investors Fund for Growth	ST
First Investors Fund for Income	BD
First Investors Government Fund	BD
First Investors High Yield Fund	BD
First Investors International Securities	ST
First Investors Natural Resources	ST
First Investors New York Tax Free	MU
First Investors Option Fund	ST
First Investors Tax Exempt Fund	MU
First Investors Value Fund	ST
First of Michigan 100 Renaissance Center Detroit, MI 48243 (800) 482-2560 (local) (800) 521-1264 (out of state) Exchange privilege: Yes	
Renaissance Assets Trust-Govt	MM
Renaissance Assets Trust-MM	MM
First Trust Funds 110 North Franklin Street Chicago, IL 60606 (800) 325-9536 (local) (800) 621-4770 (out of state) Exchange privilege: Yes	
First Trust Fund-US Government	BD
Flagship Financial One First National Plaza Suite 910 Dayton, OH 45402 (800) 354-7447 (local) (800) 227-4648 (out of state) Exchange privilege: Yes	
Flagship Tax Ex-Arizona Double T-E	MU
Flagship Tax Ex-Georgia Double T-E	MU
Flagship Tax Ex-Kentucky Double T-E	MU
Flagship Tax Ex-Michigan Double T-E	MU
Flagship Tax Ex-NC Double T-E	MU
Flagship Tax Ex-Ohio Double T-E	MU
Flagship Tax Ex-Penn Triple T-E	MU
Flagship Tax Ex-Virginia Double T-E	MU

Distributor	Type of fund
Flex Funds PO Box 7177 Dublin, OH 43017 (614) 766-7000* (local) (800) 325-3539 (out of state) Exchange privilege: Yes	
Flex-funds-Bond Fund	BD
Flex-funds-Growth Fund	ST
Flex-funds-Income & Growth Fund	ST
Flex-funds-Money Market Fund	MM
Flex-funds-Retirement Growth	ST
Florida Mutual Funds Group 7301 West Palmetto Park Road Suite C-105 Boca Raton, FL 33433 (305) 392-2667* (local) Exchange privilege: No	
Pinnacle Government-Portfolio I	MM
44 Securities One State Street Plaza New York, NY 10004 (212) 344-4224 (local) (800) 221-7836 (out of state) Exchange privilege: Yes	
44 Wall Street Equity Fund	ST
44 Wall Street Fund	ST
Founders Mutual Depositor Corp 3033 East First Avenue Suite 810 Denver, CO 80206 (800) 874-6301 (local) (800) 525-2440 (out of state) Exchange privilege: Yes	
Founders Equity Income Fund	ST
Founders Growth Fund	ST
Founders Mutual Fund	ST
Founders Special Fund	ST
Franklin Distributors 777 Mariner's Island Boulevard San Mateo, CA 94404-1585 (800) 632-2180 (nationwide) Exchange privilege: Yes	
Franklin AGE High Income Fund	BD
Franklin Calif Insured T-F Income	MU
Franklin Calif Tax-Exempt Money	MM
Franklin Calif Tax-Free Income	MU
Franklin Convertible Securities	BD
Franklin Dynatech Fund	ST
Franklin Equity Fund	ST
Franklin Federal Money Fund	MM
Franklin Federal Tax-Free Income	MU
Franklin Gold Fund	ST
Franklin Growth Fund	ST
Franklin High Yield Tax-Free Income	MU
Franklin Income	BA
Franklin Insured Tax-Free Income	MU
Franklin Mass Insured T-F Income	MU
Franklin Mich Insured T-F Income	MU
Franklin Minn Insured T-F Income	MU
Franklin Money Fund	MM
Franklin New York T-F Income	MU
Franklin Ohio Insured T-F Income	MU
Franklin Option Fund	ST
Franklin Pennsylvania T-F Income	MU
Franklin PR Tax-Free Income Fund	MU
Franklin Tax-Exempt Money Fund	MM
Franklin US Government Securities	BD
Franklin Utilities Fund	ST

Distributor	Type of fund
Fundamental Services 111 Broadway Suite 1107 New York, NY 10006 (800) 225-6864 (local) (800) 322-6864 (out of state) Exchange privilege: Yes	
California Muni Fund	MU
Furman Selz Mager Dietz & Birney 230 Park Avenue New York, NY 10169 (212) 309-8400 (local) (800) 845-8406 (out of state) Exchange privilege: Yes	
FundTrust-Aggressive Growth	ST
FundTrust-Growth	ST
FundTrust-Growth & Income	BA
FundTrust-Income	BD
Yes Fund	BD
Gateway Investment Advisors 400 Technecenter Drive Suite 220 Cincinnati, OH 45150 (513) 248-2700* (local) (800) 354-6339 (out of state) Exchange privilege: Yes	
Gateway Option Income Fund	ST
Gintel & Co Greenwich Office Park Op-6 Greenwich, CT 06830 (203) 622-6400* (local) (800) 243-5808 (out of state) Exchange privilege: Yes	
Gintel Capital Appreciation Fund	ST
Gintel ERISA Fund	ST
Gintel Fund	ST
GIT Investment Services 1655 North Fort Myer Drive Arlington, VA 22209 (800) 572-2050 (local) (800) 336-3063 (out of state) Exchange privilege: Yes	
GIT Equity Trust-Special Growth	ST
GIT Income Trust-A-Rated Income	BD
GIT Income Trust-Maximum Income	BD
GIT Tax-Free Trust-High Yield	MU
Government Investors Trust	MM

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Distributor	Type of fund
Gradison Mutual Funds 580 Building, 6th & Walnut Street Cincinnati, OH 45202 (800) 582-7062 (local) (800) 543-8640 (out of state) Exchange privilege: Yes	
Gradison Cash Reserves Trust	MM
Gradison Established Growth Fund	ST
Gradison Opportunity Growth Fund	ST
Greenspring Fund Quadrangle Village of Cross Keys Suite 322 Baltimore, MD 21210 (301) 435-9000 (local) Exchange privilege: No	
Greenspring Fund	ST
Growth Industry Shares 135 South La Salle Chicago, IL 60603 (312) 346-4830* (local) Exchange privilege: No	
Growth Industry Shares	ST
GT Global Growth Funds 601 Montgomery Street Suite 1400 San Francisco, CA 94111 (415) 392-6181* (local) (800) 824-1580 (out of state) Exchange privilege: Yes	
GT Global Europe	ST
GT Global International	ST
GT Global Japan	ST
GT Global Pacific	ST
Guardian Investor Services Corp 201 Park Avenue South New York, NY 10003 (800) 522-7800 (local) (800) 221-3253 (out of state) Exchange privilege: Yes	
Guardian Park Ave Fund	ST
John Hancock Distributors PO Box 21 Boston, MA 02117 (617) 572-4120 (local) (800) 225-5291 (out of state) Exchange privilege: Yes	
John Hancock Bond Trust	BD
John Hancock Cash Management	MM
John Hancock Global Trust	ST
John Hancock Growth Trust	ST
John Hancock High Income-Fixed Inc	BD
John Hancock Special Equities	ST
John Hancock Tax-Exempt Income	MU
John Hancock US Govt Guar Mortgage	BD
John Hancock US Govt Securities	BD

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Distributor	Type of fund
Hartwell Funds 515 Madison Avenue 31st Floor New York, NY 10022 (212) 308-3355* (local) (800) 645-6405 (out of state) Exchange privilege: Yes	
Hartwell Growth Fund	ST
Hartwell Leverage Fund	ST
Heine Management Group PO Box 830 Westport, CT 06881 (800) 522-2564 (local) (800) 422-2564 (out of state) Exchange privilege: No	
LMH Fund	ST
Heine Securities 26 Broadway New York, NY 10004 (212) 908-4047* (local) (800) 457-0211 (out of state) Exchange privilege: No	
Mutual Beacon Fund	ST
Mutual Qualified Income Fund	ST
Mutual Shares Corp	ST
JJB Hilliard, WL Lyons 545 South Third Street Louisville, KY 40202 (800) 292-1886 (local) (800) 626-2023 (out of state) Exchange privilege: Yes	
Hilliard-Lyons Government Fund	MM
Wayne Hummer & Co 175 West Jackson Boulevard Chicago, IL 60604 (800) 558-3513 (local) (800) 621-4477 (out of state) Exchange privilege: Yes	
Wayne Hummer Growth Fund	ST
Wayne Hummer Money Fund Trust	MM
EF Hutton & Co 31 West 52nd New York, NY 10019 (212) 742-5432 (local) (800) 334-4636 (out of state) Exchange privilege: Yes	
Cash Reserve Management	MM
Hutton AMA Cash Fund	MM
Hutton California Municipal Fund	MU
Hutton Government Fund	MM
Hutton Investment-Basic Value	ST
Hutton Investment-Bond & Income	BD
Hutton Investment-Govt Securities	BD
Hutton Investment-Growth	ST
Hutton Investment-Option Income	ST
Hutton Investment-Precious Metals	ST
Hutton Investment-Short Term Invest	MM
Hutton Investment-Special Equities	ST
Hutton National Municipal Fund	MU
Hutton New York Municipal Fund	MU
Municipal Cash Reserve Management	MM

Distributor	Type of fund
IAI Funds PO Box 357 Minneapolis, MN 55440 (612) 371-7780 (local) Exchange privilege: Yes	
IAI Apollo	ST
IAI Bond Fund	BD
IAI International Fund	ST
IAI Regional Fund	ST
IAI Reserve Fund	BD
IAI Stock Fund	ST
Idex Management PO Box 5068 Clearwater, FL 33518 (800) 282-7152 (local) (800) 237-3055 (out of state) Exchange privilege: Yes	
IDEX Fund	ST
IDEX II	ST
IDEX 3	ST
IDS Financial Services IDS Tower 10 Minneapolis, MN 55440 (612) 372-3131* (local) (800) 328-8300 (out of state) Exchange privilege: Yes	
IDS Bond Fund	BD
IDS California Tax-Exempt Fund	MU
IDS Cash Management Fund	MM
IDS Discovery Fund	ST
IDS Equity Plus	ST
IDS Extra Income Fund	BD
IDS Federal Income Fund	BD
IDS Growth Fund	ST
IDS High Yield Tax-Exempt Fund	MU
IDS Insured Tax-Exempt Fund	MU
IDS International Fund	ST
IDS Managed Retirement Fund	ST
IDS Minnesota Tax-Exempt Fund	MU
IDS Mutual	BA
IDS New Dimensions Fund	ST
IDS New York Tax-Exempt Fund	MU
IDS Precious Metals Fund	ST
IDS Progressive Fund	ST
IDS Selective Fund	BD
IDS Stock Fund	ST
IDS Strategy-Aggressive Equity	ST
IDS Strategy-Equity	ST
IDS Strategy-Income	BD
IDS Strategy-Pan Pacific Growth	ST
IDS Tax-Exempt Bond Fund	MU
IDS Tax-Free Money Fund	MM

Distributor	Type of fund
Institutional Capital Management 9003 Greentree Common Suite I Marlton, NJ 08053 (800) 634-2536 (nationwide) Exchange privilege: No	
Trinity Liquid Assets Trust	MM
Integrated Asset Management 666 Third Avenue 5th Floor New York, NY 10017 (212) 551-6700 (local) (800) 232-1230 (out of state) Exchange privilege: Yes	
Home Investors Govt Guaranteed Inc	BD
Integrated Capital Appreciation	ST
Integrated Equity-Aggressive Growth	ST
Integrated Equity-Growth	ST
Integrated Income-Convertible Secs	BD
Integrated Income-High Yield	BD
Integrated Income-Plus Fund	BD
Integrated Money Market Securities	MM
Integrated Tax-Free-Stripes	MU
Integrated Tax-Free-US T-F Income	BD
International Heritage 101 Summer Street Boston, MA 02110 (617) 482-8757 (local) (800) 237-5047 (out of state) Exchange privilege: Yes	
Omega Fund	ST
Interstate Capital Growth Fund 2700 NCNB Plaza Charlotte, NC 28280 (704) 379-9074* (local) Exchange privilege: No	
Interstate Capital Growth Fund	ST
Investors Management Group 418 6th Avenue Suite 720 Liberty Building Des Moines, IA 50309 (515) 244-5426* (local) Exchange privilege: Yes	
Bond Accumulation Fund	BD
Iowa Liquid Assets Fund	MM
Stock Accumulation Fund	ST
Investors Security Trust 110 Bank Street Suffolk, VA 23434 (804) 539-2396 (local) Exchange privilege: No	
Old Dominion Investors' Trust	ST
IRI Securities One Appleton Square Minneapolis, MN 55420 (612) 853-9500 (local) (800) 328-1010 (out of state) Exchange privilege: No	
IRI Stock Fund	ST
Midas Gold Shares & Bullion	ST

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Fund Distributors

Distributor	Type of fund
ITB Distributors 60 State Street Boston, MA 02109 (617) 542-0213* (local) (800) 451-0502 (out of state) Exchange privilege: No	
Empire Builder Tax Free Bond Fund	MU
Investment Trust of Boston	ST
Investment of Boston-High Inc Plus	BD
Investment of Boston-Mass T-F Inc	MU
Ivy Fund 40 Industrial Park Road Hingham, MA 02043 (617) 749-1422* (local) (800) 235-3322 (out of state) Exchange privilege: Yes	
Ivy Growth Fund	ST
Ivy International Fund	ST
Raymond James & Associates 880 Carrollon Parkway St Petersburg, FL 33733 (813) 578-3[illegible] (local) (800) 237-070[illegible] (out of state) Exchange privilege: Yes	
Heritage Capital Appreciation	ST
Heritage Cash Trust	MM
Heritage Convertible Income-Growth	BD
Janus Capital 100 Fillmore Street Suite 300 Denver, CO 80206 (303) 333-3863* (local) (800) 525-3713 (out of state) Exchange privilege: Yes	
Janus Investment Fund	ST
Janus Value Fund	ST
Janus Venture Fund	ST
Jefferson-Pilot Investor Services PO Box 21008 Greensboro, NC 27420 (919) 378-2448 (local) Exchange privilege: Yes	
JP Growth Fund	ST
JP Income Fund	BD
Jones & Babson 2440 Pershing Road Kansas City, MO 64108 (816) 471-5200* (local) (800) 821-5591 (out of state) Exchange privilege: Yes	
Babson Bond Trust	BD
Babson Enterprise Fund	ST
Babson Growth Fund	ST
Babson Money Market Fund-Prime	MM
Babson Tax-Free Income-Long Term	MU
Babson Tax-Free Income-Short Term	MU
Babson Value Fund	ST
UMB Bond Fund	BD
UMB Money Market-Federal	MM
UMB Money Market-Prime	MM
UMB Stock Fund	ST
UMB Tax-Free Money Market	MM

Distributor	Type of fund
Edward D Jones & Co 201 Progress Parkway Maryland Heights, MO 63043 (314) 851-2000 (local) Exchange privilege: No	
ED Jones Daily Passport Cash Trust	MM
Kemper Financial Services 120 South LaSalle Street Chicago, IL 60603 (312) 781-1121 (local) (800) 621-1048 (out of state) Exchange privilege: Yes	
Cash Equivalent Fund-Govt	MM
Cash Equivalent Fund-MM	MM
Investment Portfolios-Equity	ST
Investment Portfolios-Govt Plus	BD
Investment Portfolios-High Yield	BD
Investment Portfolios-Option Income	ST
Investment Portfolios-Total Return	BA
Kemper Calif Tax-Free Income Fund	MU
Kemper Government MM Fund	MM
Kemper Growth Fund	ST
Kemper High Yield Fund	BD
Kemper Income & Capital Preservation	BD
Kemper International Fund	ST
Kemper Money Market Fund	MM
Kemper Muni Bond Fund	MU
Kemper Option Income Fund	ST
Kemper Summit Fund	ST
Kemper Tax-Free Income-National	MU
Kemper Total Return Fund	BA
Kemper US Govt Securities	BD
Tax-Exempt Money Market Fund	MM
Technology Fund	ST
Keystone Distributors 99 High Street Boston, MA 02110 (617) 338-3400* (local) (800) 225-2618 (out of state) Exchange privilege: Yes	
Keystone America Tax Free Income	MU
Keystone Custodian B-1	BD
Keystone Custodian B-2	BD
Keystone Custodian B-4	BD
Keystone Custodian K-1	BA
Keystone Custodian K-2	ST
Keystone Custodian S-1	ST
Keystone Custodian S-3	ST
Keystone Custodian S-4	ST
Keystone International Fund	ST
Keystone Liquid Trust	MM
Keystone Precious Metals Holdings	ST
Keystone Tax Exempt Trust	MU
Keystone Tax Free Fund	MU
Kidder Peabody 20 Exchange Place New York, NY 10005 (212) 510-5552 (local) Exchange privilege: Yes	
Kidder Peabody Equity Income	ST
Kidder Peabody Government Income	BD
Kidder Peabody Government Money	MM
Kidder Peabody MarketGuard Apprec	ST
Kidder Peabody Premium Account	MM
Kidder Peabody Special Growth Fund	ST
Kidder Peabody Tax Exempt MM	MM
Kidder Peabody Tax-Free Income-Natl	MU
Kidder Peabody Tax-Free Income-NY	MU
Webster Cash Reserve Fund	MM

Distributor	Type of fund
Kleinwort Benson 200 Park Avenue Suite 5610 New York, NY 10166 (212) 983-4000 (local) (800) 233-9164 (out of state) Exchange privilege: No	
Kleinwort Benson Transatlantic Gr	ST
Kleinwort Benson Transatlantic Inc	BD
Ladenburg, Thalmann & Co 540 Madison Avenue New York, NY 10022 (212) 940-0253 (local) Exchange privilege: No	
Westergaard Fund	ST
Michael W Lamb & Associates 1001 East 101st Terrace Suite 220 Kansas City, MO 64131 (816) 941-7990 (local) Exchange privilege: No	
Wealth Monitors Fund	ST
Landmark Funds Broker Dealer Serv 200 Berkeley Street Boston, MA 02116 (617) 423-1679 (local) Exchange privilege: No	
Landmark Capital Growth Fund	ST
Landmark Growth & Income Fund	ST
Landmark New York Tax Free Income	MU
Landmark US Govt Income Fund	BD
Lazard Frères & Co One Rockefeller Plaza New York, NY 10020 (212) 957-5343 (local) (800) 854-8525 (out of state) Exchange privilege: No	
Lazard Frères-Bond Fund	BD
Lazard Frères-Cash Management Fund	MM
Lazard Frères-Equity Fund	ST
Lazard Frères-Government Fund	MM
Lazard Frères-Tax-Free Money Market	MM
Legg Mason Wood Walker PO Box 1476 Baltimore, MD 21203 (301) 539-3400 (local) (800) 822-5544 (out of state) Exchange privilege: Yes	
Legg Mason Cash Reserve Trust	MM
Legg Mason Special Investment	ST
Legg Mason Tax Exempt Trust	MM
Legg Mason Total Return Trust	ST
Legg Mason Value Trust	ST

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Distributor	Type of fund
Lehman Brothers Distributor 55 Water Street 34th Floor New York, NY 10041 (212) 668-8578* (local) (800) 221-5350 (out of state) Exchange privilege: Yes	
Lehman Capital Fund	ST
Lehman Investors Fund	ST
Lehman Management Cash Reserves	MM
Lehman Management T-F Reserves	MM
Lehman Opportunity Fund	ST
Lepercq-Istel Trust 345 Park Avenue 23rd Floor New York, NY 10154 (212) 702-0174* (local) (800) 548-7878 (out of state) Exchange privilege: Yes	
Lepercq-Istel Fund	ST
Lexington Management Corp PO Box 1515 Saddle Brook, NJ 07662 (201) 845-7300* (local) (800) 526-0056 (out of state) Exchange privilege: Yes	
Corp Leaders Tr Certificates Ser B	ST
Lexington Global Fund	ST
Lexington GNMA Income Fund	BD
Lexington Goldfund	ST
Lexington Growth Fund	ST
Lexington Money Market Trust	MM
Lexington Research Fund	ST
Lexington Tax Exempt Bond-National	MU
Lexington Tax Free Money Fund	MM
Lieber & Co 550 Mamaroneck Avenue Harrison, NY 10528 (914) 698-5711 (local) (800) 235-0064 (out of state) Exchange privilege: Yes	
Evergreen Fund	ST
Evergreen Total Return Fund	ST
Evergreen Value Timing Fund	ST
Lincoln Investment Planning The Benson East Office Plaza Suite 1000 — Department F Jenkintown, PA 19046 (800) 222-3317 (local) (800) 242-1421 (out of state) Exchange privilege: Yes	
Rightime Fund	ST
Rightime-Government Securities	BD

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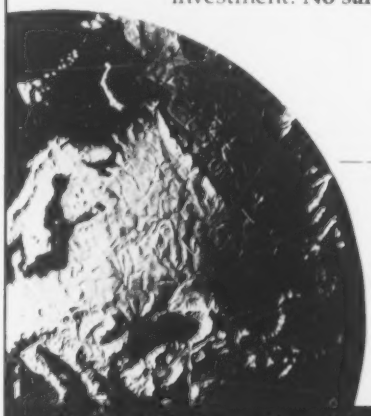

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Fund Distributors

Distributor	Type of fund
Lindner Management Corp 200 South Bemiston PO Box 11208 St Louis, MO 63105 (314) 727-5305 (local) Exchange privilege: Yes	
Lindner Dividend Fund	ST
Lindner Fund	ST
Lord Abbett & Co 63 Wall Street New York, NY 10005 (212) 425-8720* (local) (800) 223-4224 (out of state) Exchange privilege: Yes	
Affiliated Fund	ST
Lord Abbett Bond-Debenture Fund	BD
Lord Abbett California T-F Income	MU
Lord Abbett Cash Reserve Fund	MM
Lord Abbett Developing Growth	ST
Lord Abbett Fundamental Value	ST
Lord Abbett Tax-Free-National	MU
Lord Abbett Tax-Free-New York	MU
Lord Abbett Tax-Free-Texas	MU
Lord Abbett US Government Securities	BD
Lord Abbett Value Appreciation	ST
Mackenzie Investment Management 1665 Palm Beach Lake Boulevard Suite 604 West Palm Beach, FL 33401 (800) 824-6067 (local) (800) 222-2274 (out of state) Exchange privilege: Yes	
Industrial Series-American Fund	ST
Industrial Series-Govt Secs Plus	BD
Industrial Series-Option Income	BA
Madison Investment Advisors 402 South Gammon Place Madison, WI 53719 (608) 833-6300 (local) Exchange privilege: No	
Bascom Hill Investors	ST
Mairs & Power W-2062 First National Bank Building St Paul, MN 55101 (612) 222-8478 (local) Exchange privilege: No	
Mairs & Power Growth Fund	ST
Mairs & Power Income Fund	ST
Horace Mann Growth Fund One Horace Mann Plaza Springfield, IL 62715 (217) 789-2500 (local) (800) 832-2437 (out of state) Exchange privilege: Yes	
Horace Mann Growth Fund	ST

Distributor	Type of fund
Massachusetts Financial Services P.O. Box 2281 Boston, MA 02107 (617) 423-3500 (local) (800) 225-2606 (out of state) Exchange privilege: Yes	
Mass Capital Development Fund	ST
Mass Cash Management-Govt	MM
Mass Cash Management-Prime	MM
Mass Financial Bond Fund	BD
Mass Financial Development Fund	ST
Mass Financial Emerging Growth	ST
Mass Financial High Income-Series I	BD
Mass Financial International-Bond	BD
Mass Financial Special Fund	ST
Mass Financial Total Return Trust	BA
Mass Investors Growth Stock Fund	ST
Mass Investors Trust	ST
MFS Government Guaranteed Secs	BD
MFS Government Secs High Yield	BD
MFS Lifetime Capital Growth Trust	ST
MFS Lifetime Dividends Plus Trust	ST
MFS Lifetime Emerging Growth Trust	ST
MFS Lifetime Global Equity Trust	ST
MFS Lifetime Government Inc Plus	BD
MFS Lifetime High Income Trust	BD
MFS Lifetime Managed Muni Bond	BD
MFS Lifetime Managed Sectors Trust	ST
MFS Managed California Tax-Exempt	MU
MFS Managed High Yield Muni Bond	MU
MFS Managed M-S T-E-Maryland	MU
MFS Managed M-S Tax-Exempt-Mass	MU
MFS Managed M-S Tax-Exempt-NC	MU
MFS Managed M-S Tax-Exempt-SC	MU
MFS Managed M-S T-E-Virginia	MU
MFS Managed M-S Tax-Exempt-W Va	MU
MFS Managed Muni Bond Trust	MU
MFS Managed Sectors Trust	ST
Mathers Fund 125 South Wacker Drive Chicago, IL 60606 (312) 236-8215* (local) Exchange privilege: No	
Mathers Fund	ST
McDonald & Company Securities 2100 Society Building Cleveland, OH 44114 (216) 443-2300 (local) (800) 451-6200 (out of state) Exchange privilege: Yes	
McDonald Money Market Fund	MM
McDonald Tax Exempt Money Market	MM
Meeschaert & Company 47 Miller Hill Road Dover, MA 02030 (617) 785-1403 (local) Exchange privilege: No	
Meeschaert Capital Accumulation	ST
Meeschaert International Bond	BD
Meridian Fund 60 East Sir Francis Drake Blvd Suite 306 Larkspur, CA 94939 (800) 445-5553 (local) (800) 446-6662 (out of state) Exchange privilege: No	
Meridian Fund	ST

Distributor	Type of fund
Merrill Lynch Funds Boston 125 High Street 1st Floor Boston, MA 02110 (617) 357-1434* (local) (800) 225-1576 (out of state) Exchange privilege: Yes	
Merrill Lynch Government Fund	MM
Merrill Lynch Institutional Fund	MM
Merrill Lynch Funds Distributor New Brunswick, NJ 08989-0063 (609) 282-2800 (local) (800) 637-3863 (out of state) Exchange privilege: Yes	
CBA Money Fund	MM
Merrill Lynch Basic Value Fund	ST
Merrill Lynch California Tax-Exempt	MU
Merrill Lynch Capital Fund	ST
Merrill Lynch Corp Bond-High Income	BD
Merrill Lynch Corp Bond-High Quality	BD
Merrill Lynch Corp Bond-Intermediate	BD
Merrill Lynch Equi-Bond I Fund	BA
Merrill Lynch EuroFund	ST
Merrill Lynch Federal Securities	BD
Merrill Lynch Fund for Tomorrow	ST
Merrill Lynch International Holdings	ST
Merrill Lynch Muni Bond-High Yield	MU
Merrill Lynch Muni Bond-Insured	MU
Merrill Lynch Muni Bond-Ltd Maturity	MU
Merrill Lynch Municipal Income	MU
Merrill Lynch Natural Resources	ST
Merrill Lynch New York Muni Bond	MU
Merrill Lynch Pacific Fund	ST
Merrill Lynch Phoenix Fund	BA
Merrill Lynch Ready Assets Trust	MM
Merrill Lynch Retirement Benefit Inv	ST
Merrill Lynch Retirement Equity	ST
Merrill Lynch Retirement Global Bond	BD
Merrill Lynch Retirement/Income	BD
Merrill Lynch Retirement Res Money	MM
Merrill Lynch Special Value	ST
Merrill Lynch USA Govt Reserves	MM
Sci/Tech Holdings	ST
Summit Cash Reserves Fund	MM
Merrill Lynch, Pierce, Fenner & Smith One Liberty Plaza 165 Broadway New York, NY 10080 (609) 282-3200 (local) Exchange privilege: Yes	
CMA Government Securities Fund	MM
CMA Money Fund	MM
CMA Tax-Exempt Fund	MM
MetLife State Street Investment One Financial Center Boston, MA 02111 (800) 882-0052 (nationwide) Exchange privilege: No	
MetLife-State Street Cap Appreciation	ST
MetLife-State Street Equity Income	ST
MetLife-State Street Equity Invest	ST
MetLife-State Street Government Inc	BD
MetLife-State Street Government Secs	BD
MetLife-State Street High Income	BD
MetLife-State Street High Income T-E	MU

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Distributor	Type of fund
MGF Distributors 700 Dixie Terminal Building Cincinnati, OH 45202 (800) 582-7396 (local) (800) 543-8721 (out of state) Exchange privilege: Yes	
ABT Growth & Income Trust	ST
ABT Investment-Emerging Growth	ST
ABT Investment-Security Income	ST
ABT Utility Income Fund	ST
Financial Independence-Growth Fund	ST
Financial Independence-US Govt Secs	BD
Midwest Group T-F-Limited Term	MU
Midwest Group T-F-MM	MM
Midwest Group T-F-Ohio Long Term	MU
Midwest Income-Intermed Term Govt	BD
Midwest Income-Short Term Govt	MM
MidAmerica Management 4333 Edgewood Road NE Cedar Rapids, IA 52499 (800) 342-4490 (local) (800) 553-4936 (out of state) Exchange privilege: Yes	
MidAmerica High Growth Fund	ST
MidAmerica High Yield Fund	BD
MidAmerica Mutual Fund	ST
MidAmerica Tax Exempt Bond Fund	BD
Milwaukee Co 250 East Wisconsin Avenue Milwaukee, WI 53202 (800) 242-1001 (local) (800) 558-1015 (out of state) Exchange privilege: Yes	
Heartland US Government Fund	BD
Heartland Value Fund	ST
Trust for Cash Reserves	MM
Mimlic Asset Management 400 North Robert Street St Paul, MN 55101 (612) 298-3826 (local) (800) 362-3141 (out of state) Exchange privilege: Yes	
Mimlic Investors Fund I	ST
Mimlic Mortgage Securities Income	BD
Morgan Keegan & Co 50 North Front Street Memphis, TN 38103 (901) 524-4100 (local) (800) 238-7127 (out of state) Exchange privilege: No	
Morgan Keegan Daily Cash Trust	MM

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Distributor	Type of fund
Morgan Stanley & Co 1251 Avenue of the Americas New York, NY 10020 (212) 398-2900 (local) (800) 521-5412 (out of state) Exchange privilege: Yes	
Pierpont Capital Appreciation Fund	ST
Pierpont Equity Fund	ST
Pierpont Money Market	ST
Pierpont Tax Exempt Bond Fund	MU
Pierpont Tax Exempt Money Market	MM
Morison Asset Management Suite 400 1201 Marquette Avenue Minneapolis, MN 55403 (612) 332-1588 (local) (800) 722-4393 (out of state) Exchange privilege: No	
Morison Asset Allocation Fund	ST
Murphey Favre West 601 Riverside Avenue Spokane, WA 99201 (800) 572-5828 (local) (800) 541-0830 (out of state) Exchange privilege: Yes	
Composite Bond & Stock Fund	BA
Composite Cash Management	MM
Composite Growth Fund	ST
Composite Income Fund	BD
Composite Select-Northwest	ST
Composite Select-Value	ST
Composite Tax-Exempt Bond Fund	MU
Composite US Govt Securities	BD
Mutual Benefit Financial Services Co 290 Westminster Street Providence, RI 02903 (401) 751-8600* (local) (800) 333-4726 (out of state) Exchange privilege: No	
Mutual Benefit Fund	ST
Mutual of Omaha Fund Management 10235 Regency Circle Omaha, NE 68114 (800) 642-8112 (local) (800) 228-9596 (out of state) Exchange privilege: Yes	
Mutual of Omaha America Fund	BD
Mutual of Omaha Cash Reserve	MM
Mutual of Omaha Growth Fund	ST
Mutual of Omaha Income Fund	BA
Mutual of Omaha MM Account	MM
Mutual of Omaha Tax-Free Income	MU

Distributor	Type of fund
National Financial Data Service PO Box 26070 Kansas City, MO 64196-7070 (616) 283-1700 (local) (800) 225-8011 (out of state) Exchange privilege: No	
Neuwirth Fund	ST
Pine Street Fund	ST
National Industries Fund 5990 Greenwood Plaza Boulevard Suite 325 Englewood, CO 80111 (303) 220-8500 (local) (800) 367-7814 (out of state) Exchange privilege: No	
National Industries Fund	ST
National Securities & Research Corp 605 Third Avenue 12th Floor New York, NY 10158 (212) 661-3000* (local) (800) 223-7757 (out of state) Exchange privilege: Yes	
California Tax Exempt Bonds	MU
Fairfield Fund	ST
National Bond Fund	BD
National Federal Securities Trust	BD
National Growth Fund	ST
National Preferred Fund	BD
National Premium Income Income	BD
National Real Estate-Income Fund	BD
National Real Estate-Stock Fund	ST
National Securities Tax Exempt Bonds	MU
National Stock Fund	ST
National Total Income Fund	BA
National Total Return Fund	BA
Nationwide Financial Services One Nationwide Plaza Columbus, OH 43216 (800) 282-1440 (local) (800) 848-0920 (out of state) Exchange privilege: Yes	
Nationwide Bond Fund	BD
Nationwide Fund	ST
Nationwide Growth Fund	ST
Nationwide Money Market Fund	MM
Nationwide Tax-Free Fund	MU
Neuberger & Berman Management 342 Madison Avenue New York, NY 10173 (212) 850-8300* (local) (800) 367-0770 (out of state) Exchange privilege: Yes	
Energy Fund	ST
Guardian Mutual Fund	ST
Liberty Fund	BD
Manhattan Fund	ST
Neuberger & Berman Govt Money	MM
Neuberger & Berman Ltd Mat Bond	BD
Neuberger & Berman MM Plus	MM
Neuberger & Berman Tax-Free Money	MM
Partners Fund	ST

Distributor	Type of fund
New England Securities 399 Boylston Street Boston, MA 02117 (800) 343-7104 (nationwide) Exchange privilege: Yes	
Loomis-Sayles Capital Development	ST
Loomis-Sayles Mutual Fund	BA
New England Bond Income Fund	BD
New England Cash Management-MM	MM
New England Equity Income Fund	ST
New England Government Securities	BD
New England Growth Fund	ST
New England Retirement Equity Fund	ST
New England T-E Income Fund	MU
New England T-E Money Market	MM
New York Muni Fund 111 Broadway Suite 1107 New York, NY 10006 (212) 608-6864* (local) (800) 225-6864 (out of state) Exchange privilege: No	
New York Muni Fund	MU
Newton Fund PO Box 1348 Milwaukee, WI 53201 (800) 242-7229 (local) (800) 247-7039 (out of state) Exchange privilege: Yes	
Newton Growth Fund	ST
Newton Income Fund	BD
Nicholas Company 700 North Water Street Milwaukee, WI 53202 (414) 272-6133 (local) Exchange privilege: Yes	
Nicholas Fund	ST
Nicholas II	ST
Nicholas Income Fund	BD
Nicholas Limited Edition	ST
Noddings Asset Management 2001 Spring Road Suite 750 Oakbrook, IL 60521 (800) 821-6458 (local) (800) 251-2411 (out of state) Exchange privilege: No	
Noddings Convertible Strategies	ST
Nomura Capital Management 180 Maiden Lane New York, NY 10038 (212) 208-9300* (local) (800) 833-0018 (out of state) Exchange privilege: No	
Nomura Pacific Basin Fund	ST

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Distributor	Type of fund
Northeast Investors Trust 50 Congress Street 10th Floor Boston, MA 02109 (617) 523-3588 (local) (800) 225-6704 (out of state) Exchange privilege: Yes	
Northeast Investors Growth	ST
Northeast Investors Trust	BD
Nova Distributors 260 Franklin Street Boston, MA 02110 (617) 439-9683* (local) (800) 572-0006 (out of state) Exchange privilege: No	
Nova Fund	ST
John Nuveen & Co 333 West Wacker Drive Chicago, IL 60606 (312) 917-7844* (local) (800) 621-7210 (out of state) Exchange privilege: No	
Nuveen California T-F-Insured Bond	MU
Nuveen California T-F-Money Market	MM
Nuveen California T-F-Special Bond	MU
Nuveen Insured T-F Bond-National	MU
Nuveen Insured T-F Bond New-York	MU
Nuveen Municipal Bond Fund	MU
Nuveen Tax-Exempt Money Market	MM
Nuveen Tax-Free Bond-Massachusetts	MU
Nuveen Tax-Free Bond-New York	MU
Nuveen Tax-Free Bond-Ohio	MU
Nuveen Tax-Free Reserves	MM
Tax-Free Accounts	MM
Ohio Company 155 East Broad Street Columbus, OH 43215 (614) 464-6811 (local) (800) 848-7734 (out of state) Exchange privilege: Yes	
Cardinal Fund	ST
Cardinal Government Guaranteed	BD
Cardinal Government Securities	MM
Cardinal Tax Exempt Money Trust	MM
Olympic Trust 800 West Sixth Street Suite 540 Los Angeles, CA 90017 (213) 623-7833 (local) Exchange privilege: Yes	
Olympic Trust-Series B	ST
Oppenheimer Capital Corp Oppenheimer Tower World Financial Center New York, NY 10281 (800) 525-7040 (nationwide) Exchange privilege: No	
Quest for Value-Cash Management	MM
Quest for Value Fund	ST

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Fund Distributors

Distributor	Type of fund
Oppenheimer Investor Services PO Box 300 Denver, CO 80201 (303) 671-3200 (local) (800) 525-7048 (out of state) Exchange privilege: Yes	
Oppenheimer Asset Allocation Fund	BD
Oppenheimer Blue Chip Fund	ST
Oppenheimer Bond Fund	BD
Oppenheimer Capital Appreciation	ST
Oppenheimer Challenger Fund	ST
Oppenheimer Directors Fund	ST
Oppenheimer Equity Income Fund	ST
Oppenheimer Fund	ST
Oppenheimer Global Fund	ST
Oppenheimer GNMA Fund	BD
Oppenheimer Gold & Special Mins	ST
Oppenheimer High Income Fund	BD
Oppenheimer High Yield Fund	BD
Oppenheimer Money Market Fund	MM
Oppenheimer New York Tax-Exempt	MU
Oppenheimer OTC Fund	ST
Oppenheimer Premium Income	ST
Oppenheimer Regency Fund	ST
Oppenheimer Special Fund	ST
Oppenheimer Target Fund	ST
Oppenheimer Tax-Free Bond Fund	MU
Oppenheimer Time Fund	ST
Oppenheimer Total Return Fund	ST
Oppenheimer US Government	BD
Pacific Financial Research 9601 Wilshire Boulevard Suite 828 Beverly Hills, CA 90210 (213) 278-4461 (local) Exchange privilege: No	
Clipper Fund	BA
PaineWebber 1285 Avenue of the Americas 18th Floor New York, NY 10019 (212) 437-3800 (local) Exchange privilege: Yes	
PaineWebber America Fund	ST
PaineWebber Atlas Fund	ST
PaineWebber Calif Tax-Exempt Income	MU
PaineWebber Cashfund	MM
PaineWebber Fixed Inc-GNMA	BD
PaineWebber Fixed Inc-High Yield	BD
PaineWebber Fixed Inc-Invest Grade	BD
PaineWebber Master Global Income	BD
PaineWebber Master Series Asset Alloc	ST
PaineWebber Master Series Growth	ST
PaineWebber Master Series Income	BD
PaineWebber Olympus Fund	ST
PaineWebber RMA-Money Market	MM
PaineWebber RMA-Tax-Free	MM
PaineWebber RMA-US Govt	MM
PaineWebber Tax-Exempt Income	MU
Pallas Financial Corporation One Burton Hills Boulevard Suite 355 Nashville, TN 37215 (615) 665-1700* (local) (800) 251-1970 (out of state) Exchange privilege: Yes	
Monitrend Value Fund	ST

Distributor	Type of fund
Paribas Trust For Institutions 30 Rockefeller Plaza 38th Floor New York, NY 10020 (212) 408-0964* (local) Exchange privilege: No	
Paribas Trust-Quantus Equity	ST
Parkway Management 985 Old Eagle School Road Suite 515 Wayne, PA 19087 (215) 688-8165* (local) Exchange privilege: Yes	
Parkway Cash Fund	MM
Parnassus Financial Management 244 California Street San Francisco, CA 94111 (415) 362-3505 (local) Exchange privilege: No	
Parnassus Fund	ST
Pax World Fund 224 State Street Portsmouth, NH 03801 (603) 431-8022 (local) Exchange privilege: No	
Pax World Fund	BA
Penn Square Management PO Box 1419 Reading, PA 19603 (800) 222-7506 (local) (800) 523-8440 (out of state) Exchange privilege: No	
Penn Square Mutual Fund	ST
Pennsylvania Mutual Fund 1414 Avenue of the Americas New York, NY 10019 (212) 355-7311* (local) (800) 221-4268 (out of state) Exchange privilege: No	
Pennsylvania Mutual Fund	ST
Permanent Portfolio Fund PO Box 5847 Austin, TX 78763 (512) 453-7558* (local) (800) 531-5142 (out of state) Exchange privilege: Yes	
Permanent Portfolio Fund	ST
Phoenix Equity Planning Corp One American Row Hartford, CT 06115 (203) 278-8050* (local) (800) 243-1574 (out of state) Exchange privilege: Yes	
Phoenix Balanced Fund	BA
Phoenix Convertible Fund	ST
Phoenix Growth Fund	ST
Phoenix High Quality Bond Fund	BD
Phoenix High Yield Fund	BD
Phoenix Money Market Fund	MM
Phoenix Stock Fund	ST
Phoenix Total Return	ST

Distributor	Type of fund
Pilgrim Group 10100 Santa Monica Boulevard Suite 2150 Los Angeles, CA 90067 (201) 461-7500* (local) (800) 526-0475 (out of state) Exchange privilege: Yes	
Pilgrim GNMA Fund	BD
Pilgrim High Yield Trust	BD
Pilgrim MagnaCap Fund	ST
Pilgrim Preferred Fund	BD
Pilgrim Rising Profitability Fund	ST
Pioneer Group 60 State Street Boston, MA 02109 (617) 742-7825* (local) (800) 225-6292 (out of state) Exchange privilege: Yes	
Pioneer Bond Fund	BD
Pioneer Fund	ST
Pioneer II	ST
Pioneer Municipal Bond Fund	MU
Pioneer Three	ST
Prescott, Ball & Turben 230 West Monroe Street Suite 2800 Chicago, IL 60606 (800) 572-4437 (local) (800) 621-7321 (out of state) Exchange privilege: Yes	
Selected American Shares	ST
Selected Special Shares	ST
T Rowe Price Associates 100 East Pratt Street Baltimore, MD 21202 (301) 547-2308* (local) (800) 638-5660 (out of state) Exchange privilege: Yes	
T Rowe Price Capital Appreciation	ST
T Rowe Price Equity Income Fund	ST
T Rowe Price GNMA Fund	BD
T Rowe Price Growth & Income Fund	ST
T Rowe Price Growth Stock Fund	ST
T Rowe Price High Yield Fund	BD
T Rowe Price International Bond	BD
T Rowe Price International Stock	ST
T Rowe Price Maryland Tax-Free Bond	MU
T Rowe Price New America Growth	ST
T Rowe Price New Era Fund	ST
T Rowe Price New Horizons Fund	ST
T Rowe Price New Income Fund	BD
T Rowe Price New York Tax-Free Bond	MU
T Rowe Price Prime Reserve Fund	MM
T Rowe Price Short-Term Bond Fund	BD
T Rowe Price Tax-Exempt Money Fund	MM
T Rowe Price Tax-Free California Bond	MU
T Rowe Price Tax-Free High Yield	MU
T Rowe Price Tax-Free Income Fund	MU
T Rowe Price T-F Short Intermediate	MU
T Rowe Price US Treasury Money	MM

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Distributor	Type of fund
Primary Trend Fund First Financial Centre-4th Floor 700 North Water Street Milwaukee, WI 53202 (414) 271-7870 (local) (800) 443-6544 (out of state) Exchange privilege: No	
Primary Trend Fund	ST
Princor Financial Services Corp 711 High Street Des Moines, IA 50309 (515) 247-5711 (local) Exchange privilege: Yes	
Princor Capital Accumulation Fund	ST
Princor Government Securities Income	BD
Princor Growth Fund	ST
Princor Tax-Exempt Bond Fund	MU
Prudential-Bache One Seaport Plaza Mutual Funds-25th Floor New York, NY 10292 (212) 214-1234 (local) (800) 872-7787 (out of state) Exchange privilege: Yes	
Prudential-Bache California Municipal	MU
Prudential-Bache Equity Fund	ST
Prudential-Bache Equity Income	BD
Prudential-Bache Global Fund	ST
Prudential-Bache GNMA Fund	BD
Prudential-Bache Government Plus	BD
Prudential-Bache Government Plus II	BD
Prudential-Bache Govt Secs-Inter Term	BD
Prudential-Bache Govt Secs-MM	MM
Prudential-Bache Growth Opportunity	ST
Prudential-Bache High Yield Fund	BD
Prudential-Bache IncomVertible	ST
Prudential-Bache Moneymart Assets	MM
Prudential-Bache Muni-Arizona	MU
Prudential-Bache Muni-Georgia	MU
Prudential-Bache Muni-Maryland	MU
Prudential-Bache Muni-Massachusetts	MU
Prudential-Bache Muni-Michigan	MU
Prudential-Bache Muni-Minnesota	MU
Prudential-Bache Muni-New York	MU
Prudential-Bache Muni-New York MM	MM
Prudential-Bache Muni-N Carolina	MU
Prudential-Bache Muni-Ohio	MU
Prudential-Bache Muni-Oregon	MU
Prudential-Bache Muni-Pennsylvania	MU
Prudential-Bache National Municipals	MU
Prudential-Bache Option Growth	ST
Prudential-Bache Research Fund	ST
Prudential-Bache Tax-Free Money	MM
Prudential-Bache Utility Fund	ST

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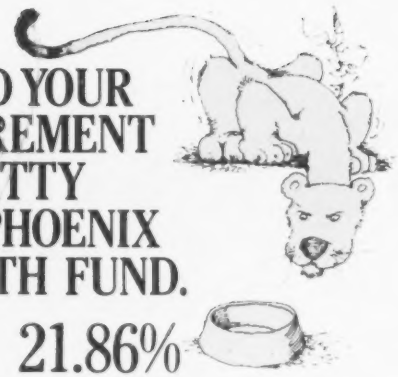

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21.86% for the ten years ended 6/30/87

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*The average annual total return is the simple interest rate which would yield the same as an investment in the Series including the change in principal value and reinvestment of all dividends from net investment income and capital gains less the maximum sales charge imposed on the investment. For details see pages 8, 9, 10, 11 and 12 of the current prospectus.
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Fund Distributors

Distributor	Type of fund
Putnam Financial Services One Post Office Square Boston, MA 02109 (617) 292-1000* (local) (800) 225-1581 (out of state) Exchange privilege: Yes	
Depositors Inv-Capital Growth	ST
Depositors Inv-Current Income	BD
Depositors Inv-Govt Secs	BD
Depositors Inv-OTC Emerging Growth	ST
Putnam California Tax Exempt Income	MU
Putnam Capital Fund	ST
Putnam Convertible Income-Growth	ST
Putnam Daily Dividend Trust	MM
Putnam Energy-Resources Trust	ST
Putnam Fund for Growth & Income	ST
George Putnam Fund of Boston	BA
Putnam GNMA Plus Trust	BD
Putnam Health Sciences Trust	ST
Putnam High Income Government	BD
Putnam High Yield Trust	BD
Putnam High Yield Trust II	BD
Putnam Income Fund	BD
Putnam Information Sciences Trust	ST
Putnam International Equities Fund	ST
Putnam Investors Fund	ST
Putnam Massachusetts T-E Income	MU
Putnam Michigan Tax Exempt Income	MU
Putnam Minnesota Tax Exempt Income	MU
Putnam New York Tax Exempt Income	MU
Putnam Ohio Tax Exempt Income	MU
Putnam Option Income Trust	ST
Putnam Option Income Trust II	ST
Putnam OTC Emerging Growth Fund	ST
Putnam Tax Exempt Income Fund	MU
Putnam Tax-Free Income-High Yield	MU
Putnam Tax-Free Income-Insured	MU
Putnam US Govt Guaranteed Securities	BD
Putnam Vista Basic Value	ST
Putnam Voyager Fund	ST
Quest Distributors 1414 Avenue of the Americas New York, NY 10019 (212) 355-7311* (local) (800) 433-1998 (out of state) Exchange privilege: Yes	
Royce Fund-Equity Income	BA
Royce Fund-High Yield	BD
Royce Fund-Value	ST
Rea-Graham Fund 10966 Chalon Road Los Angeles, CA 90077 (213) 471-1917* (local) (800) 221-2990 (out of state) Exchange privilege: No	
Rea-Graham Fund	BA

Distributor	Type of fund
Reich & Tang 100 Park Avenue 28th Floor New York, NY 10017 (212) 370-1240* (local) (800) 221-3079 (out of state) Exchange privilege: Yes	
California Daily Tax Free Income	MM
Connecticut Daily Tax Free Income	MM
Daily Dollar Reserves	MM
Daily Income Fund	MM
Daily Tax Free Income Fund	MM
Empire Tax Free Money Market	MM
Gabelli Asset Fund	ST
GNMA Income Trust	BD
Reich & Tang Equity Fund	ST
Short Term Income Fund-Government	MM
Short Term Income Fund-MM	MM
Sound Shore Fund	ST
Warburg International Fund	ST
Resrv Partners 810 Seventh Avenue 35th Floor New York, NY 10019 (212) 977-9880* (local) (800) 223-5547 (out of state) Exchange privilege: Yes	
Reserve Equity-Contrarian	ST
Reserve Fund-Government	MM
Reserve Fund-Primary	MM
Reserve New York Tax-Exempt-NY	MM
Reserve Tax-Exempt-Connecticut	MM
Reserve Tax-Exempt-Interstate	MM
Review Management Corp 510 Pennsylvania Avenue Suite 325 Fort Washington, PA 19034-1537 (215) 643-2510* (local) (800) 523-2578 (out of state) Exchange privilege: No	
Over-the-Counter Securities Fund	ST
Rochester Fund Distributors 379 Park Avenue Rochester, NY 14607 (716) 442-5500* (local) Exchange privilege: Yes	
Rochester Tax Managed Fund	ST
LF Rothschild, Unterberg, Towbin 55 Water Street New York, NY 10041 (212) 412-1000* (local) (800) 537-8887 (out of state) Exchange privilege: Yes	
LF Rothschild Earnings & Liquidity	MM
LF Rothschild Exempt Fund	MM
LF Rothschild Investment Grade Inc	BD
LF Rothschild Rising Dividends	ST
Ruane, Cunniff & Co 1370 Avenue of the Americas New York, NY 10019 (212) 245-4500 (local) Exchange privilege: No	
Sequoia Fund	ST

Distributor	Type of fund
Rushmore Group 4922 Fairmont Avenue Bethesda, MD 20814 (301) 657-1500 (local) (800) 343-3355 (out of state) Exchange privilege: Yes	
Fund for Govt Investors	MM
Fund for T-F Investors-Intermediate	MU
Fund for T-F Investors-Long Term	MU
Rushmore-Ginnie Mae	BD
Rushmore-Stock Market Index Plus	ST
Safeco Securities Safeco Plaza T-15 Seattle, WA 98185 (800) 562-6810 (local) (800) 426-6730 (out of state) Exchange privilege: Yes	
Safeco California Tax Free Income	MU
Safeco Equity Fund	ST
Safeco Growth Fund	ST
Safeco Income Fund	ST
Safeco Money Market Mutual Fund	MM
Safeco Municipal Bond Fund	MU
Safeco US Government Securities	BD
SBSF Fund 10 Rockefeller Plaza New York, NY 10020 (212) 903-1200* (local) Exchange privilege: Yes	
SBSF Fund	ST
Schield Securities 390 Union Blvd Suite 410 Denver, CO 80228 (800) 233-4971 (local) (800) 826-8154 (out of state) Exchange privilege: No	
Schield Portfolios Aggressive Growth	ST
Schield Portfolios Value	ST
Scudder Fund Distributors 160 Federal Street 2nd Floor Boston, MA 02110 (617) 439-4640* (local) (800) 225-2470 (out of state) Exchange privilege: Yes	
Scudder California Tax Free Fund	MU
Scudder Capital Growth Fund	ST
Scudder Cash Investment Trust	MM
Scudder Development Fund	ST
Scudder Global Fund	ST
Scudder Government Money Fund	MM
Scudder Government Mortgage Secs	BD
Scudder Growth & Income Fund	ST
Scudder Income Fund	BD
Scudder International Fund	ST
Scudder Managed Municipal Bonds	MU
Scudder New York Tax Free Fund	MU
Scudder Target Fund-General 1990	BD
Scudder Target Fund-General 1994	BD
Scudder Target-Government 1990	BD
Scudder Tax-Free Money Fund	MM
Scudder Tax-Free Target-1987	MU
Scudder Tax-Free Target-1990	MU
Scudder Tax-Free Target-1993	MU
Scudder Tax Free Target-1996	MU

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Distributor	Type of fund
Securities Fund Investors PO Box 33030 St Petersburg, FL 33733-8030 (813) 823-8712 (local) (800) 237-0738 (out of state) Exchange privilege: Yes	
Templeton Foreign Fund	ST
Templeton Global I	ST
Templeton Global II	ST
Templeton Growth Fund	ST
Templeton Income Fund	BA
Templeton World Fund	ST
Securities Management & Research Two Moody Plaza Galveston, TX 77550 (409) 763-2767 (local) (800) 231-4639 (out of state) Exchange privilege: Yes	
American National Bond Fund	BD
American National Growth Fund	ST
American National Income Fund	ST
Security Distributors 700 Harrison Street Topeka, KS 66636 (800) 255-2461 (nationwide) Exchange privilege: Yes	
Security Action Fund	ST
Security Equity Fund	ST
Security Income-Corporate Bond	BD
Security Income-High Yield	BD
Security Investment Fund	ST
Security Omni Fund	ST
Security Tax-Exempt Fund	MU
Security Ultra Fund	ST
Seligman Marketing One Bankers Trust Plaza New York, NY 10006 (800) 522-6869 (local) (800) 221-2450 (out of state) Exchange privilege: Yes	
Seligman Calif T-E-High Yield	MU
Seligman Calif T-E-Quality	MU
Seligman Capital Fund	ST
Seligman Cash Management-Govt	MM
Seligman Cash Management-Prime	MM
Seligman Common Stock Fund	ST
Seligman Communications & Info	ST
Seligman Growth Fund	ST
Seligman High Inc-High Yield Bond	BD
Seligman High Inc-Secured Mortgage	BD
Seligman High Inc-US Govt Guaranteed	BD
Seligman Income Fund	BA
Seligman Penn Tax-Exempt-High Yield	MU
Seligman Penn Tax-Exempt-Quality	MU
Seligman Tax-Exempt-Colorado	MU
Seligman Tax-Exempt-Florida	MU
Seligman Tax-Exempt-Louisiana	MU
Seligman Tax-Exempt-Maryland	MU
Seligman Tax-Exempt-Massachusetts	MU
Seligman Tax-Exempt-Michigan	MU
Seligman Tax-Exempt-Minnesota	MU
Seligman Tax-Exempt-Missouri	MU
Seligman Tax-Exempt-National	MU
Seligman Tax-Exempt-New York	MU
Seligman Tax-Exempt-Ohio	MU
Seligman Tax-Exempt-Oregon	MU

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THE Vanguard GROUP OF INVESTMENT COMPANIES

Fund Distributors

Distributor	Type of fund
Sentry Equity Services 1800 North Point Drive E3/52 Stevens Point, WI 54481 (800) 472-0280 (local) (800) 826-0266 (out of state) Exchange privilege: No	
Sentry Fund	ST
Shearson Lehman Brothers American Express Tower World Financial Center New York, NY 10285 (212) 321-7155 (local) Exchange privilege: Yes	
Shearson Aggressive Growth Fund	ST
Shearson Appreciation Fund	ST
Shearson California Daily Tax-Free	MM
Shearson California Municipals	MU
Shearson Daily Dividend	MM
Shearson Daily Tax-Free Dividend	MM
Shearson FMA Cash Fund	MM
Shearson FMA Government Fund	MM
Shearson FMA Municipal Fund	MM
Shearson Fundamental Value Fund	ST
Shearson Global Opportunities	ST
Shearson Government & Agencies	MM
Shearson High Yield Fund	BD
Shearson Lehman-Convertible Secs	ST
Shearson Lehman-Equity Growth	ST
Shearson Lehman-Equity Plus	ST
Shearson Lehman-Global Bond	BD
Shearson Lehman-High Income Bond	BD
Shearson Lehman-Intermed Govt Secs	BD
Shearson Lehman-International Equity	ST
Shearson Lehman-Long Term Govt	BD
Shearson Lehman-Mortgage Securities	BD
Shearson Lehman-Option Income	ST
Shearson Lehman-Prec Metals & Mins	BD
Shearson Lehman-Strategic Investment	ST
Shearson Lehman-Tax Exempt Income	MU
Shearson Managed Governments	BD
Shearson Managed Municipals	MU
Shearson New York Daily Tax-Free	MM
Shearson New York Municipals	MU
Sherman, Dean Fund 6061 NW Expressway Suite 465 San Antonio, TX 78201 (512) 735-7700* (local) (800) 247-6375 (out of state) Exchange privilege: No	
Sherman, Dean Fund	ST
Sierra Growth Fund 1880 Century Park East Suite 717 Los Angeles, CA 90067 (213) 277-1450 (local) Exchange privilege: No	
Sierra Growth Fund	ST
Sigma Investor Services 3801 Kennett Pike Greenville Center C-200 Wilmington, DE 19807 (302) 652-3091* (local) (800) 441-9490 (out of state) Exchange privilege: Yes	
ISI Growth Fund	ST
ISI Income Fund	BD
ISI Trust Fund	ST
Sigma Capital Shares	ST
Sigma Income Shares	BD
Sigma Investment Shares	ST
Sigma Special Fund	ST
Sigma Tax-Free Bond Fund	MU
Sigma Trust Shares	BA
Sigma Venture Shares	ST
Sigma World Fund	ST
Sit Investment Associates 1714 First Bank Place West Minneapolis, MN 55402 (612) 332-3223 (local) Exchange privilege: Yes	
New Beginning Growth Fund	ST
New Beginning Income & Growth Fund	ST
New Beginning Yield Fund	BD
Smith Barney, Harris Upham & Co 333 West 34th Street New York, NY 10001 (212) 356-2631 (local) (800) 221-8806 (out of state) Exchange privilege: Yes	
Muni Bond Funds-California	MU
Muni Bond Funds-National	MU
Muni Bond Funds-New York	MU
National Liquid Reserves-Cash	MM
National Liquid Reserves-Government	MM
National Liquid Reserves-Retirement	MM
Smith Barney Equity Fund	ST
Smith Barney-Income & Growth	ST
Smith Barney-Income Return	BD
Smith Barney-Monthly Payment Govt	BD
Smith Barney-US Government	BD
Tax-Free Money Fund	MM
Vantage Money Market-Cash	MM
Vantage Money Market-Government	MM
Sogen Securities Corp 520 Madison Avenue New York, NY 10022 (212) 832-0022 (local) Exchange privilege: No	
SoGen International Fund	ST
Sovereign Advisers 985 Old Eagle School Road Suite 515a Wayne, PA 19087 (215) 254-0703 (local) Exchange privilege: No	
Sovereign Investors	ST
State Bond Sales Corp Investment Department 100-106 North Minnesota Street New Ulm, MN 56073 (507) 354-2144* (local) (800) 328-4735 (out of state) Exchange privilege: Yes	
State Bond Common Stock Fund	ST
State Bond Diversified Fund	ST
State Bond Progress Fund	ST
State Bond Tax Exempt Fund	MU
State Bond US Government Securities	BD
State Street Research & Management One Financial Center Boston, MA 02111 (617) 482-3920* (local) Exchange privilege: No	
State Street Investment Corp	ST
Steadman Security Corp 1730 K Street NW Suite 904 Washington, DC 20006 (202) 223-1000 (local) (800) 424-8570 (out of state) Exchange privilege: Yes	
Steadman American Industry Fund	ST
Steadman Associated Fund	ST
Steadman Investment Fund	ST
Steadman Oceanographic Tech & Gr	ST
Stein Roe & Farnham PO Box 1162 Chicago, IL 60690 (312) 368-7800* (local) (800) 621-0320 (out of state) Exchange privilege: Yes	
Stein Roe & Farnham Cap Opportunity	ST
Stein Roe & Farnham Stock Fund	ST
SteinRoe Cash Reserves	MM
SteinRoe Discovery Fund	ST
SteinRoe Governments Plus	BD
SteinRoe High-Yield Bonds	BD
SteinRoe High Yield Municipals	MU
SteinRoe Intermediate Municipals	MU
SteinRoe Managed Bonds	BD
SteinRoe Managed Municipals	MU
SteinRoe Prime Equities	ST
SteinRoe Special Fund	ST
SteinRoe Tax-Exempt Money Fund	MM
SteinRoe Total Return Fund	BA
SteinRoe Universe Fund	ST
Strategic Distributors 2030 Royal Lane Dallas, TX 75229 (214) 484-1326* (local) (800) 527-5027 (out of state) Exchange privilege: Yes	
Strategic Capital Gains	ST
Strategic Investments Fund	ST
Strategic Silver Fund	ST

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Fund Distributors

Distributor	Type of fund
Stratton Management Plymouth Meeting Executive Campus 610 West Germantown Pike Plymouth Meeting, PA 19462 (215) 941-0255* (local) (800) 634-5726 (out of state) Exchange privileges: Yes	
Stratton Growth Fund	ST
Stratton Monthly Dividend Shares	ST
Strong/Corneliuson Cap Management 815 East Mason Street Suite 1610 Milwaukee, WI 53202 (414) 765-0620* (local) (800) 368-3863 (out of state) Exchange privilege: Yes	
Strong Government Securities Fund	BD
Strong Income Fund	BD
Strong Investment Fund	BA
Strong Money Market Fund	MM
Strong Opportunity Fund	ST
Strong Tax-Free Income Fund	MU
Strong Total Return Fund	BA
Tenneco Asset Planning Co 1100 Milam Suite 3500 Houston, TX 77002 (713) 757-2222 (local) (800) 262-6686 (out of state) Exchange privilege: Yes	
Cashman Farrell Value Fund	ST
Fund of the Southwest	ST
Investors Income Fund	BD
PBHG Growth Fund	ST
US Trend Fund	ST
Thomson McKinnon Asset Management One New York Plaza New York, NY 10004 (212) 482-5894 (local) (800) 628-1237 (out of state) Exchange privilege: Yes	
Cash Accumulation-National Govt	MM
Cash Accumulation-National MM	MM
Cash Accumulation-National T-E	MM
Thomson McKinnon Invest-Global	ST
Thomson McKinnon Invest-Growth	ST
Thomson McKinnon Invest-Income	BD
Thomson McKinnon Invest-Opportun	ST
Thomson McKinnon Invest-Tax Ex	MU
Thomson McKinnon Invest-US Govt	BD
Thornburg Management 123 East Marcy Street Suite 202 Santa Fe, NM 87501 (505) 984-0200* (local) (800) 847-0200 (out of state) Exchange privilege: Yes	
Limited Term Municipal-California	MU
Limited Term Municipal-National	MU

Distributor	Type of fund
Transamerica Investment Services PO Box 2438 Los Angeles, CA 90051 (213) 742-2222* (local) (800) 343-6840 (out of state) Exchange privilege: No	
Transamerica Cash Reserve	MM
Trusteed Funds One Winthrop Square Boston, MA 02110 (800) 462-1199 (local) (800) 343-2902 (out of state) Exchange privilege: Yes	
Commonwealth Indenture A & B	ST
Commonwealth Indenture C	ST
GPM Fund	BA
Tucker Anthony & RL Day One Beacon Street Boston, MA 02108 (800) 392-6037 (local) (800) 225-6258 (out of state) Exchange privilege: Yes	
Freedom Equity Value Fund	ST
Freedom Investment-Gold & Govt	ST
Freedom Investment-Government Plus	BD
Freedom Investment II-Global Fund	ST
Freedom Investment II-Global Inc Plus	BD
Freedom Investment-Managed T-E	MU
Freedom Investment-Regional Bank	ST
Tocqueville Fund	ST
Tucker Anthony Cash Management	MM
Tucker Anthony Govt Securities	MM
Tucker Anthony Tax-Exempt Money	MM
Twentieth Century Investors 605 West 47th Street Kansas City, MO 64112 (816) 531-5575 (local) (800) 345-2021 (out of state) Exchange privilege: Yes	
20th Century Cash Reserve	MM
20th Century Giftrust Investors	ST
20th Century Growth Investors	ST
20th Century Long-Term Bond	BD
20th Century Select Investors	ST
20th Century Tax-Exempt Intermediate	BD
20th Century Tax-Exempt Long Term	BD
20th Century Ultra Investors	ST
20th Century US Govt Investors	BD
20th Century Vista Investors	ST
Unified Management Corp 429 North Pennsylvania Street Indianapolis, IN 46204-1897 (317) 634-3300 (local) (800) 862-7283 (out of state) Exchange privilege: Yes	
Liquid Green Trust	MM
Unified Growth Fund	ST
Unified Income Fund	BA
Unified Municipal Fund-General	MU
Unified Municipal Fund-Indiana	MU
Unified Mutual Shares Fund	ST

Distributor	Type of fund
United Services Advisors PO Box 29467 San Antonio, TX 78229-0467 (512) 696-1234 (local) (800) 824-4653 (out of state) Exchange privilege: Yes	
United Services-Gold Shares Fund	ST
United Services-Good & Bad Times	ST
United Services-Growth Fund	ST
United Services-New Prospector	ST
United Services-Prospector Fund	ST
United Services-Tax Free Fund	MU
United Services-US Treasury Secs	MM
US Boston Investment 6 New England Executive Park Burlington, MA 01803 (617) 272-6420 (local) Exchange privilege: Yes	
US Boston Investment-Boston I	ST
US Boston Investment-International	ST
USAA Transfer Services USAA Building San Antonio, TX 78288 (512) 498-7290 (local) (800) 531-8000 (out of state) Exchange privilege: Yes	
USAA Investment Trust-Cornerstone	ST
USAA Investment Trust-Gold Fund	ST
USAA Mutual-Growth Fund	ST
USAA Mutual-Income Fund	BD
USAA Mutual-Income Stock Fund	ST
USAA Mutual-Money Market	MM
USAA Mutual-Sunbelt Era Fund	ST
USAA Tax Exempt-High Yield	MU
USAA Tax Exempt-Intermediate Term	MU
USAA Tax Exempt-Money Market	MM
USAA Tax Exempt-Short Term	MU
Valley Forge Fund PO Box 262 Valley Forge, PA 19481 (215) 688-6839 (local) Exchange privilege: No	
Valley Forge Fund	ST
Value Line Securities 711 Third Avenue New York, NY 10017 (800) 223-0818 (local) (800) 223-0818 (out of state) Exchange privilege: Yes	
Value Line Aggressive Income Trust	BD
Value Line Cash Fund	MM
Value Line Convertible Fund	ST
Value Line Fund	ST
Value Line Income Fund	ST
Value Line Leveraged Growth Inv	ST
Value Line Special Situations Fund	ST
Value Line Tax Exempt-High-Yield	MU
Value Line Tax Exempt-Money Market	MM
Value Line US Government Securities	BD

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Fund Distributors

Distributor	Type of fund
Van Eck Securities Corp 122 East 42nd Street 42nd Floor New York, NY 10168 (212) 687-5200 (local) (800) 221-2220 (out of state) Exchange privilege: Yes	
Van Eck Gold/Resources Fund	ST
Van Eck International Investors	ST
Van Eck World Trends Fund	BA
Van Kampen Merritt 1001 Warrenville Road Lisle, IL 60532 (312) 719-6000 (local) (800) 225-2222 (out of state) Exchange privilege: Yes	
Van Kampen Merritt Cal Insured T-F	MU
Van Kampen Merritt Growth & Income	ST
Van Kampen Merritt High Yield Fund	BD
Van Kampen Merritt Insured Tax Free	MU
Van Kampen Merritt T-F High Income	MU
Van Kampen Merritt US Government	BD
Vanguard Group of Investment Cos PO Box 2600 Valley Forge, PA 19482 (215) 648-6000* (local) (800) 662-7447 (out of state) Exchange privilege: Yes	
Vanguard Bond Market Fund	BD
Vanguard California Insured Long-Term	MU
Vanguard Convertible Securities	BD
Vanguard Explorer Fund	ST
Vanguard Explorer II	ST
Vanguard Fixed Income-GNMA	BD
Vanguard Fixed Income-High Yield	BD
Vanguard Fixed Income-Invest Grade	BD
Vanguard Fixed Income-Short Term	BD
Vanguard Fixed Income-US Treasury	BD
Vanguard Index Trust	ST
Vanguard MM Reserves-Federal	MM
Vanguard MM Reserves-Insured	MM
Vanguard MM Reserves-Prime	MM
Vanguard WL Morgan Growth Fund	ST
Vanguard Muni Bond-High Yield	MU
Vanguard Muni Bond-Ins Long Term	MU
Vanguard Muni Bond-Intermediate	MU
Vanguard Muni Bond-Long-Term	MU
Vanguard Muni Bond-Money Market	MM
Vanguard Muni Bond-Short-Term	MU
Vanguard Naess & Thomas Special	ST
Vanguard New York Insured T-F	ST
Vanguard Pennsylvania Insured T-F	MU
Vanguard PrimeCap Fund	ST
Vanguard Qualified Dividend I	ST
Vanguard Qualified Dividend II	BD
Vanguard Qualified Dividend III	BD
Vanguard Quantitative Portfolios	ST
Vanguard Specialized-Energy	ST
Vanguard Specialized-Gold & Prec Met	ST
Vanguard Specialized-Health Care	ST
Vanguard Specialized-Service Economy	ST
Vanguard Specialized-Technology	ST
Vanguard Star Fund	BA
Vanguard Trustees' Commingled-Intl	ST
Vanguard Trustees Commingled-US	ST
Vanguard Wellesley Income Fund	BA
Vanguard Wellington Fund	BA
Vanguard Windsor Fund	ST
Vanguard Windsor II	ST
Vanguard World-International Growth	ST
Vanguard World-US Growth	ST

Distributor	Type of fund
Variable Stock Fund One Financial Plaza Springfield, MA 01102-9002 (413) 784-6857 (local) Exchange privilege: No	
Variable Stock Fund	ST
Venture Advisers PO Box 1688 Santa Fe, NM 87504-1688 (505) 983-4335 (local) (800) 545-2098 (out of state) Exchange privilege: Yes	
New York Venture Fund	ST
RPF of America-Bond Fund	BD
RPF of America-Equity Fund	ST
Venture Income (+) Plus	BD
Venture Muni (+) Plus	MU
Voyageur Asset Management 100 South 5th Street Suite 2300 Minneapolis, MN 55402 (800) 247-1576 (local) (800) 328-4085 (out of state) Exchange privilege: Yes	
Double Exempt Capital Conservation	MU
Double Exempt Flex Fund	MU
Waddell & Reed 2400 Pershing Road PO Box 418343 Kansas City, MO 64141-9343 (816) 283-4000 (local) (800) 892-5811 (out of state) Exchange privilege: Yes	
United Accumulative Fund	ST
United Bond Fund	BD
United Cash Management	MM
United Continental Income Fund	BA
United Gold & Government Fund	BA
United Government Securities	BD
United High Income Fund	BD
United High Income Fund II	BD
United Income Fund	ST
United International Growth	ST
United Municipal Bond Fund	MU
United Municipal High Income	MU
United New Concepts Fund	ST
United Retirement Shares	BA
United Science & Energy Fund	ST
United Vanguard Fund	ST

Distributor	Type of fund
Wall Street Management Corp 641 Lexington Avenue 21st Floor New York, NY 10022 (212) 319-9400* (local) (800) 972-9274 (out of state) Exchange privilege: No	
Wall Street Fund	ST
Warburg Pincus Counsellors 466 Lexington Avenue New York, NY 10017-3147 (212) 878-0600 (local) (800) 972-9274 (out of state) Exchange privilege: Yes	
Counsellors Cash Reserve Fund	MM
Counsellors New York Municipal Bond	MU
Counsellors New York Tax Exempt	MM
Washington Fund Distributors 1101 Vermont Avenue, NW Washington, DC 20005 (202) 842-5320* (local) (800) 972-9274 (out of state) Exchange privilege: No	
Growth Fund of Washington	ST
Weiss, Peck & Greer One New York Plaza New York, NY 10004 (212) 908-9582 (local) (800) 223-3332 (out of state) Exchange privilege: Yes	
Tudor Fund	ST
WPG Fund	ST
WPG Government Securities Fund	BD
WPG Growth Fund	ST
Wheat First Securities PO Box 1357 Richmond, VA 23211 (804) 649-2311* (local) (800) 233-9719 (out of state) Exchange privilege: No	
Southeastern Growth Fund	ST
Working Assets Money Fund 230 California Street San Francisco, CA 94111 (415) 989-3200* (local) (800) 543-8800 (out of state) Exchange privilege: No	
Working Assets Money Fund	MM
BC Ziegler & Co 215 North Main Street West Bend, WI 53095 (414) 334-5521* (local) (800) 558-1776 (out of state) Exchange privilege: Yes	
Principal Preservation-Div Achievers	ST
Principal Preservation-Govt Plus	BD
Principal Preservation-Hedged T-E	MU
Principal Preservation-Insured T-E Plus	MU
Principal Preservation-S&P 100 Plus	ST

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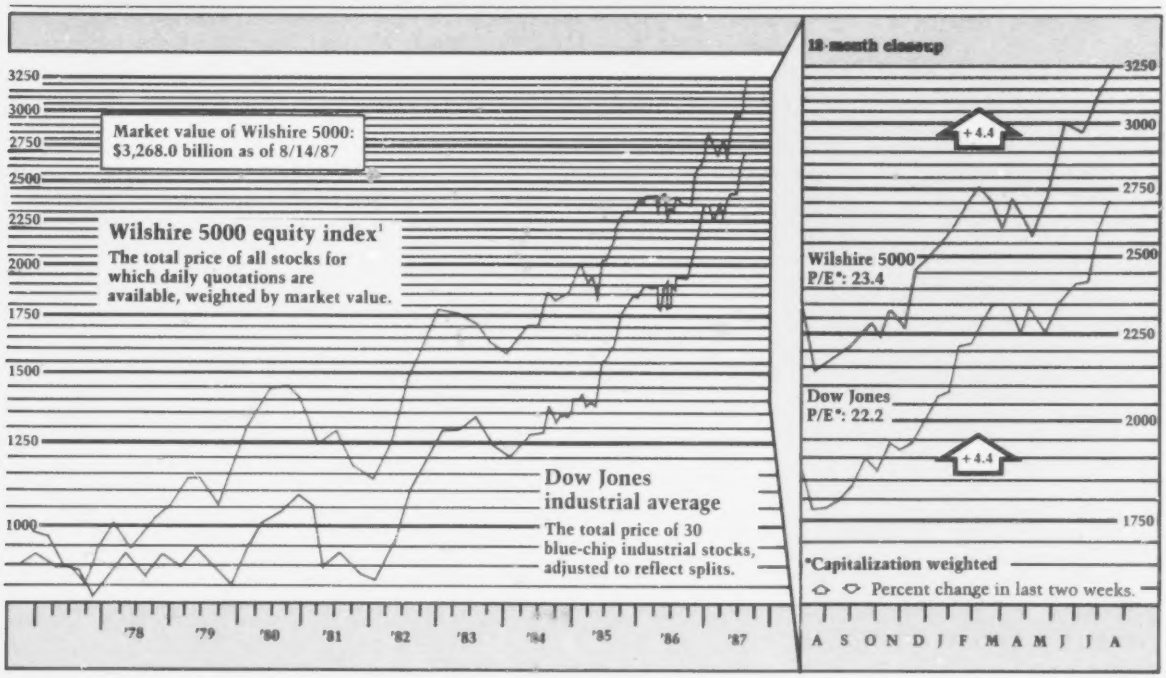
The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



In reaching yet another century mark—crossing 2700 in the past two weeks—the market pushed its price-to-earnings multiple, based on latest 12-month earnings, to 22.2. Has the P/E ever been higher? Yes, in the 1930s deficits for some of the companies put the combined earnings figure near zero and pushed the Dow multiple to abnormal levels. A similar phenomenon put the Dow P/E above 100 in 1982.

Excluding years with such aberrations, the highest P/E for the Dow stocks in the postwar era was 24.2, hit in the second quarter of 1961. With hindsight, that ratio doesn't seem too high: Corporate earnings climbed smartly in the 1960s expansion.

And now? The Forbes Sales 500 have an average P/E against trailing earnings of 22.2. Despite recent upgrades in analysts' earnings projections, this group sells at 17.1 times estimated 1987 earnings. One month ago the Forbes Sales 500 sold at 15.5 times estimated earnings.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	5.6	6.8	7.0	5.7	2.9	4.0
in last 52 weeks	29.8	31.3	44.7	31.3	34.0	18.8

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	6.2	0.5	1.2	2.8	2.7	2.6	2.9	2.6	2.2	3.4	5.1	0.4
in last 52 weeks	31.4	47.8	70.3	23.0	28.5	17.0	11.4	12.9	67.1	19.8	26.1	39.1

[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

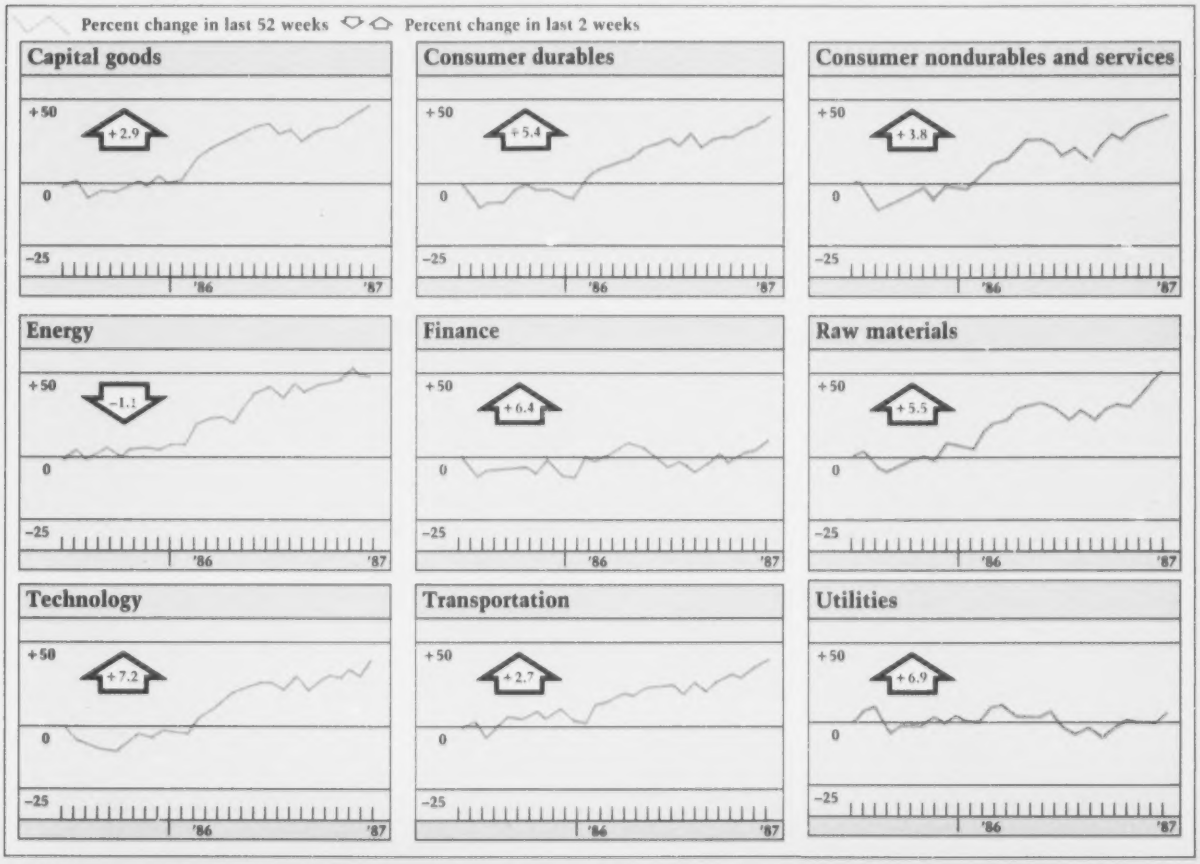
Note: All data for periods ending 8/14/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gus French

Where the Action Is

Technology stocks shone in the market rally with a 7.2% two-week gain. Leading the way was Autodesk, a California-based manufacturer of computer-aided design and drafting software. The firm produced second-quarter earnings higher than some Street forecasts. Amdahl and two of the leading microcomputer firms, Apple and Compaq, all posted hefty gains. Teradyne, a manufacturer of automatic test equipment, rose 17%.

Utilities reversed a weakening trend with a 6.9% two-week advance. Kansas City Power & Light rose 15.6%, and Utah Power & Light, which agreed to merge with PacifiCorp, rose 13%. Only energy shares, which declined 1.1%, lost ground. This sector was hurt by profit taking, especially among oilfield service stocks.



What the Analysts Think

A weak dollar is helping Detroit at Japan's expense. In the last four weeks security analysts increased their 1987 earnings estimates by 5.9% for Chrysler and 4.7% for Ford. Meanwhile, the projection for Subaru was cut 21%, and the estimate for Honda was cut 4.3%. Overall, 1987 earnings estimates for consumer durables were up 2.5%.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.30	22.2
1987 estimates	2.99	17.1
1988 estimates	3.85	13.3

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Consumer durables	$4.10	13.2	2.52%	3.04%
2	Consumer nondurables	2.31	19.5	0.15	−0.11
3	Utilities	2.61	11.3	0.12	−0.07
4	Technology	2.41	19.2	0.05	−0.64
5	Capital goods	2.16	21.8	0.05	0.49
6	Raw materials	2.27	18.7	−0.15	0.31
7	Energy	2.56	19.3	−0.45	−1.11
8	Transportation	2.23	17.5	−1.20	−1.58
9	Finance	1.92	18.4	−11.03	−24.38

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 8/14/87. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

How do you measure the performance of a trading adviser? A new ratio catches two important dimensions.

TRADING BY PROXY

By Stanley W. Angrist

Given the dismal results so many individual commodity speculators show, it's no wonder that an increasing number of traders are turning to commodity trading advisers (CTAs) to handle their speculative activities. How do you judge a CTA's performance? No simple matter—no measure is perfect—but Deane Jones, president of Jones Commodities, Inc., has developed a new measure of performance that can help.

Jones, a futures trading manager based in Reno, Nev., calls his measure the Sterling ratio. The numerator in the Sterling ratio is a manager's annual average rate of return over the most recent three years. The denominator is the average of the manager's largest annual drawdown over the same time period plus an additional, arbitrary 10%. That addition is to cover the probability that if the drawdown was computed on a daily basis, rather than the monthly number he must use, the drawdown would be higher.

In effect, then, the Sterling ratio computes the potential risk you run in order to achieve a given rate of return. The use of three years' worth of data is arbitrary, of course. One can compute the ratio for any length of time. But I think any record covering less than 18 months is all but worthless. Advisers should be evaluated after they have traded through at least a couple of market cycles. For his purposes, Jones defines the maximum annual drawdown (MAD) as the worst percentage drop in equity occurring in an investment from the end of one month to the end of any subsequent month during a calendar year. The Sterling ratio is not perfect, but I think it's an improvement over other widely used indexes.

Using data from *Managed Account Reports*, a semimonthly publication (301-730-5365), Jones calculated ratios for 51 trading managers over the three years 1984 through 1986. He also calculated the ratio for 13 others with shorter records. Some of the better CTAs are listed below.

Jones found that only a handful of CTAs had ratios of 2 or higher. That means their annual average rate of return was more than twice the size of the adjusted average maximum drawdown. Another 12 advisers had ratios between 1.00 and 1.99. Twenty-three had ratios of 0.5 or less, which means their average annual rate of return was less than half the adjusted maximum drawdown. Any CTA who can generate a ratio exceeding 1 seems to me to deserve serious consideration. Additional details on these advisers and others are available from *Managed Account Reports*.

There now exist professional matchmakers called introducing brokers. These IBs try to match the investment goals of speculators with trading managers who can do a good job for them. They don't make trading decisions. They usually just take a piece of the commissions generated by advisers. Two IBs who have come to my attention are Richard Luna and Gary Halbert. Luna (800-227-7341) and Halbert (800-348-3601) publish monthly letters on adviser performance. Both Luna and Halbert can direct speculators to advisers who will take on relatively small accounts—in some cases as low as $10,000. ■

Stanley W. Angrist is a commodity speculator, consultant and longtime observer of the commodity markets.

Sterling performances

Here are some of the better-performing trading advisers, as measured by the Sterling ratio (see story for how the ratio works). Because some advisers with less than three-year records are worth considering, I have also shown the results for several CTAs (starred) with at least 18-month records and at least $1 million under management. All calculations as of Dec. 31, 1986.

Trading adviser	Amount managed ($mil)	3-year average % return	3-year average % "MAD" + 10%	Sterling ratio
Tudor Investment	$84.9	255.1%	29.1%	8.77
Visioneering R&D*	2.0	72.5	27.1	2.68
AZF Com Mgmt	4.6	40.5	18.3	2.21
Investment Timing	11.7	56.5	26.6	2.12
Neims-Stoken Prtnsh	11.4	69.9	35.3	1.98
ELM Financial*	11.7	71.5	36.2	1.98
Kordell Financial*	3.4	66.9	36.3	1.84
Mint Inv Mgmt Co	90.8	34.7	21.8	1.59
Dow Jones average		15.6	19.5	.80
T bills		7.9	10.0	.79
Gold		3.3	30.0	.11

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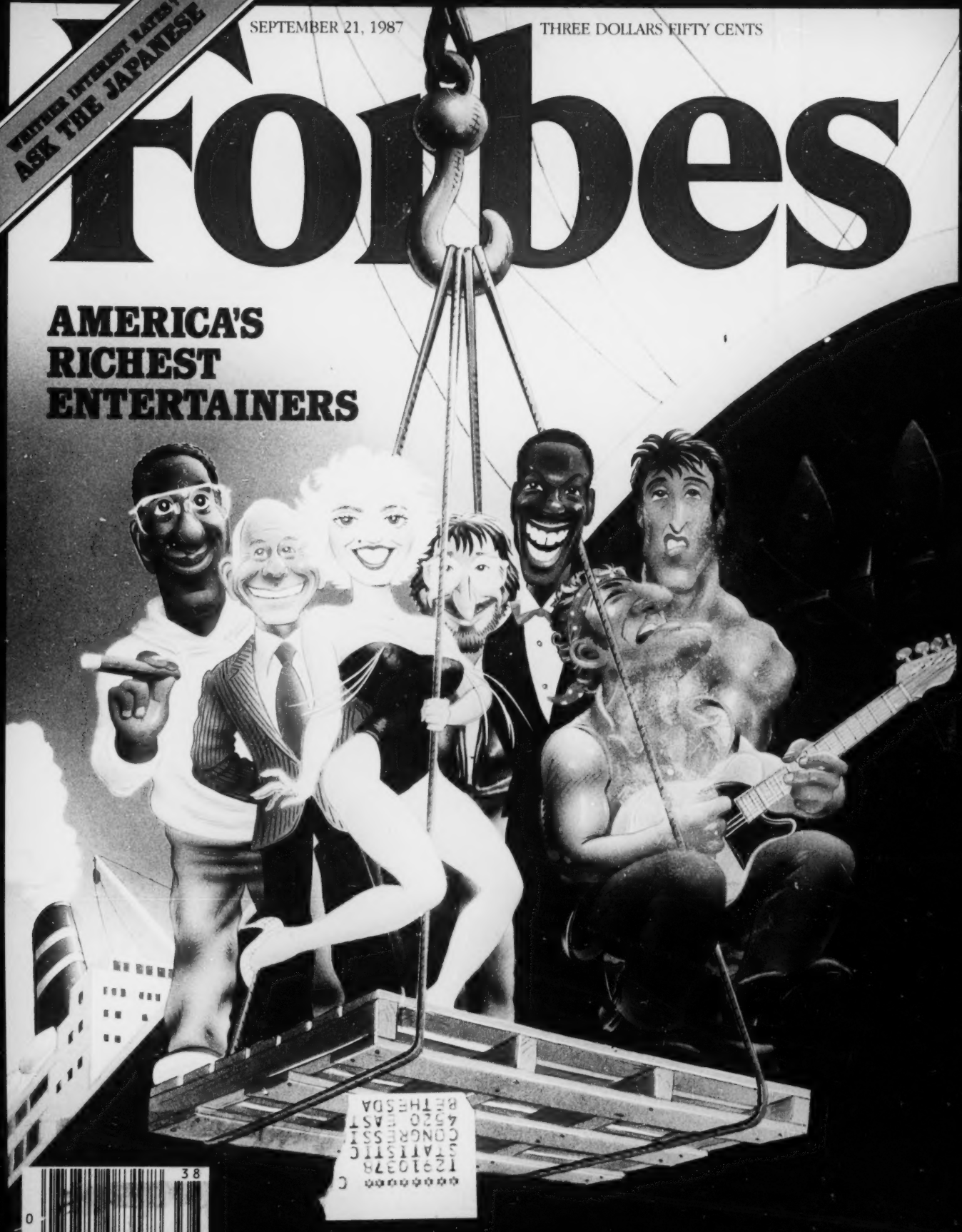

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September 21, 1987 Volume 140 Number 6 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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Readers Say

Bork bashing

SIR: Good thinking conservatives are taking the wrong tack toward the Bork nomination "Bork bashers beware" (*Fact and Comment II, Aug. 10*). It's the liberals who should endorse Bork. The whole concept of judicial restraint is alien to the separation of powers and particularly in that the Supreme Court was viewed by Madison and the others as the primary constraint on government growth. The executive and legislative branches are constantly generating new interventions and it was the Supreme Court that was designed to check what Jefferson called the "natural progress of government to gain ground."
—Edward H. Crane
President,
Cato Institute
Washington, D.C.

SIR: I believe you're searching for any rationalization to explain the failures of our government. Please cancel my subscription.
—Kara L. Gordon
New York, N.Y.

Unmasked

SIR: I hardly recognized me in your "Freewheeling" article (*Aug. 10*). But there I was: an anticompetitive, barnacled utility monopolist. I have long advocated competitive free markets for bulk power supplies in the electric utility market.

Furthermore, Dominion Energy is ready, willing and able to compete—now—in a competitive market, without waiting for the elusive and ephemeral "freewheeling" that would temporarily benefit but a few.
—William W. Berry
Chairman,
Dominion Resources
Richmond, Va.

Corporate trash

SIR: It amazes me that America's corporate giants are so disinterested in waste disposal technology (*Fact and Comment, Aug. 10*). There are entrepreneurial people who lust after this immense potential market. Unfortunately, none of these entrepreneurs work for major companies with the capital resources to tackle the legal tangle. The big fellows are scared of organized environmental groups and a Congress that hasn't yet discovered a pork barrel issue in the actual disposal of waste, but has discovered reelection money in talk about waste disposal.

Find me a cash-rich company with courage and I will show you files heavy with useful waste disposal technology.
—Thomas French Norton
Annapolis, Md.

SIR: As soon as a solution to such problems has been worked out by a corporation, some congressmen would start tacking amendments on to every available bill, hobbling the technology. Others would be looking at new tax measures to insure that no such technology would benefit the corporation that paid for it.

There is very little encouragement for corporations to invest in such beneficial technology. They are much smarter to play it safe.
—William R. Tillery
Birmingham, Ala.

SIR: The Resource Conservation and Recovery Act and its progeny, RCRA Jr., spell out the law in intricate detail. The law specifies fines and jail terms for violators. Jail terms? While many CEOs can put shareholder money at risk, few want to put their personal freedom at risk. Even organized crime, with its alleged experience in refuse collection, would undoubtedly find the increased exposure unsettling. This says nothing of the potential for civil liability claims, should a problem occur. What deep-pockets company wants to be a defendant in a hazardous wastes suit before a jury of the plaintiff's peers?
—Lanny Tonning
Albuquerque, N.M.

SIR: Let us nominate a Lee Iacocca or a Ross Perot for "Waste Converter, USA."
—Richard W. Laurie
Weston, Mass.

Funds survey

SIR: Your Sept. 7 issue on mutual funds contains two errors.

Assets of Putnam High Income Government Trust increased 198% in the past 12 months, to $11.2 billion

on June 30, 1987.

Putnam California Tax Exempt Income Fund and Putnam Tax Exempt Income Fund do not have 12b-1 plans as indicated under the column labeled "Annual expenses per $100."

—Lisbeth W. Chapman
Public Relations Coordinator,
The Putnam Cos.
Boston, Mass.

Because of a programming error, footnotes to expense figures on tables other than for stock funds and money market funds were in error.—ED.

Jet lag

SIR: We agree with your assertion *(Fact and Comment II, July 27)* that the Federal Aviation Administration has not kept up with the explosive growth in air traffic. We further concede that a responsive system does rise to meet demand, rather than attempt to shrink demand to meet the system.

But total privatization?

To render such a vital function to the simple dictates of profitability must be considered unwise.

—Edward F. Mullin
National Air Traffic Controllers Association
Washington, D.C.

SIR: If you believe we should privatize the Air Traffic Control function, you surely have to believe in privatizing the Postal Service. The money that is wasted by the FAA must be a mere drop in the bucket when compared with the post office.

—Duncan McRae
Shreveport, La.

SIR: Re your editorial on airport congestion. You neglected to mention one great remedy: the restoration of the long-distance trains and Pullman cars.

—Horace S. Mazet
Carmel, Calif.

Left, U.S. educated

SIR: You reported *(Fact and Comment, Aug. 24)* on your conversation with Chancellor Kohl and his desire to greatly increase the interchange of students. I hope you reminded the Chancellor that we have two European heads of state who were educated in the U.S.: Papandreou of Greece and Mitterrand of France.

—Leonard Linsley
Oreland, Pa.

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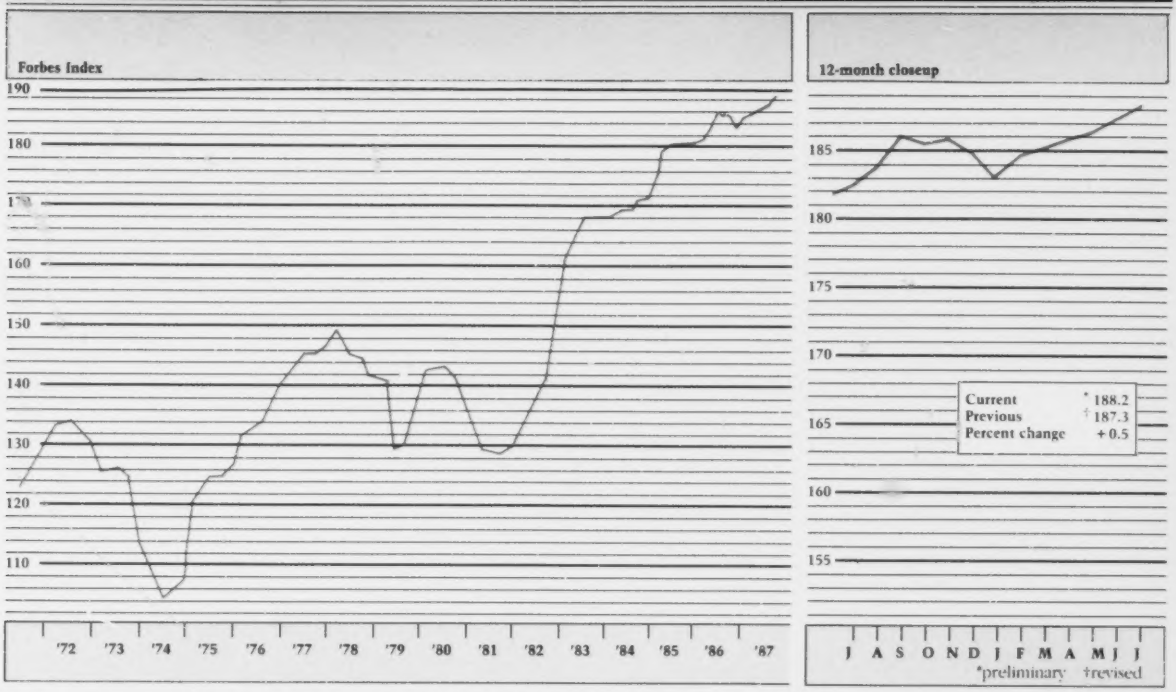
The Forbes Index



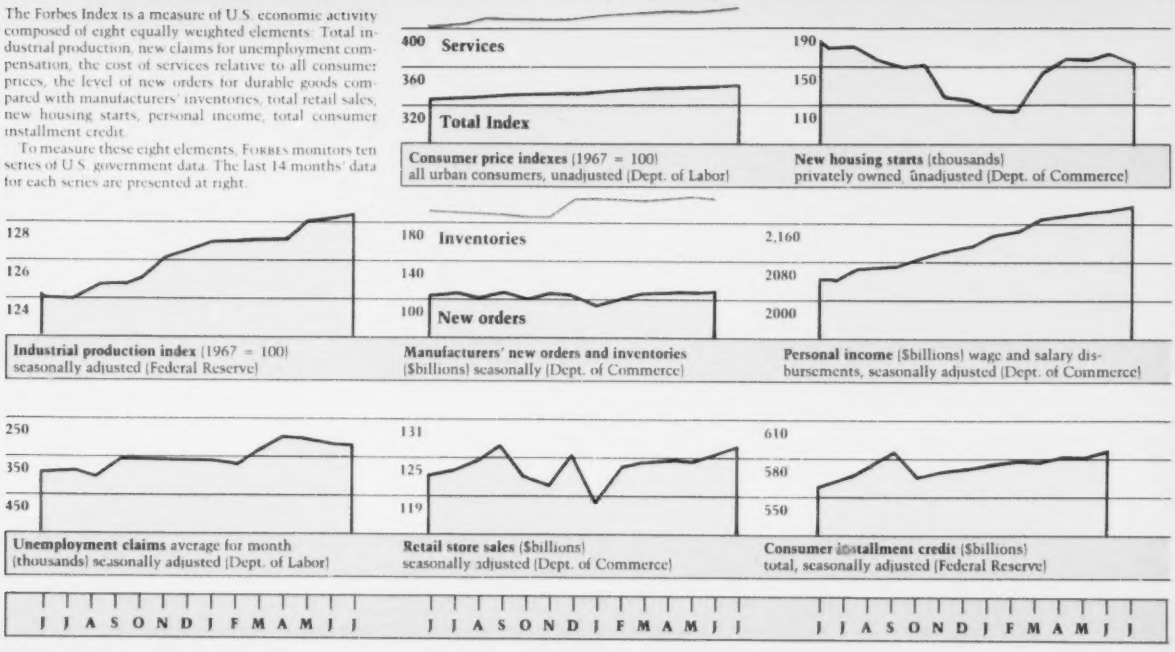
Slower growth and higher costs. Despite a mild slowdown in economic growth, rebounding energy prices have boosted the cost of living. Through the first seven months of this year, for example, The Forbes Index has gone up 2% and inflation has increased 2.9%, vs. increases of 2.3% and 0.2%, respectively, over the same period in 1986.

During the most recent reporting period, The Forbes Index jumped 0.5%. Two components pushed the Index up: The ratio of the cost of services to the overall Consumer Price Index rose 0.2% in July, while personal income went up 0.3%, to an annual rate of $2,205 billion. Higher interest rates, meanwhile, have put a crimp in new housing starts. The 12-month total fell 1%, as new starts were only 155,100 in July, compared with 172,000 a year ago.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Bill Cosby will make maybe $100 million this year. Why do top entertainers earn so much more than corporate executives and Wall Street dealmakers? Could it be that the stars of entertainment are worth more to the American economy?

The fault is not in our stars

By Allan Dodds Frank with Jason Zweig

AMERICA'S TOP-GROSSING executive last year was Chrysler's Lee Iacocca, who earned just short of $21 million, stock options included. A handful of other executives earned more than $5 million. But all these numbers were dwarfed by people in entertainment. FORBES figures that ten entertainers annually are earning $20 million or more. Bill Cosby, if you credit the discounted present value of his syndication rights from this year's 28 episodes, will make nearly $100 million in 1987.

The top ten for 1986-87:

Bill Cosby, Sylvester Stallone, Bruce Springsteen, Charles Schulz, Eddie Murphy, Steven Spielberg, Madonna, Whitney Houston, Michael Jackson and Johnny Carson. These people are more than entertainers. They are businesses.

By FORBES' reckoning, another score of entertainers earned $10 million or more in 1986 or 1987, and in each of the last four years at least one lucky star exceeded $50 million. In short, almost a dozen entertainers earned as much as or more than the highest-paid executive in the country. These aren't hard, audited figures, of course, but they are in the ballpark—based on royalty and residual yardsticks, concert attendance figures and informed guesses. We omitted executives and the owners of entertainment companies that are publicly traded or financed. They have been covered widely elsewhere.

Bill Cosby takes home the most bacon among the entertainers. We estimate that the amiable comedian's income this year will total $57 million—without residual values and without counting his investment in things like a television station in Florida and a Coca-Cola bottler in New York. Cosby, a prodigious worker, reaches 63 million Americans a week with the nation's most popular television series, *The Cosby Show*.

Cosby's a growth business. This year's take will probably double last year's. The big difference is $28 million advanced for syndication of his show for airing in 1988, after the episodes have been played by NBC.

Cosby owns no steel mills or computer companies, no office buildings or investment firms, but he holds title to a vast trove of intangible wealth. Syndication rights to his TV show—he owns 50%—will be making money for him for years to come, swelling his annual take. FORBES estimates that by 1992 Cosby will have taken in at least $180 million from syndication of a minimum of 75 episodes. If Cosby continues to rack up earnings like this, he is all but certain to be the first entertainer to become a billionaire.

Eddie Murphy's *Beverly Hills Cop* and *Beverly Hills Cop II* proved he is Hollywood's biggest star. He should be good for $27 million in earnings in 1987.

Like anyone in a market economy, Cosby, Murphy, Stallone, Madonna and Springsteen aren't making all this money just because they are nice folks. They are getting paid for creating wealth.

How do entertainers create wealth? It's very simple: Whether 100 million people see a movie or only 1 million do, the costs are about the same; ditto with TV shows, records or concerts. So the entertainer who can increase the draw is worth in an economic sense every penny he or she earns, because the marginal money is almost all profit to the producer. To the degree a star enhances the value of an entertainment property, he or she has the bargaining power to insist on a good piece of that marginal revenue.

Consider what a successful

show can do for the company that makes it or the network that runs it. Propelled by *The Cosby Show,* NBC has won the ratings wars for the last two seasons. NBC's hold on number one stems in great part from Cosby's power to draw viewers for programs in adjacent time slots. That "halo effect" means higher ad revenue across the board. The network, now part of General Electric, could earn more than $400 million this year, up from $156 million the year before *Cosby* began airing in 1984.

Cosby is creating wealth for Coca-Cola, too. He is starring in *Leonard: Part VI,* a movie scheduled for Christmas release by Coca-Cola's Columbia Pictures. We asked Cosby whether *Leonard* will boost Coke's stock price. Said he: "I am [Coke President] Don Keough's friend, and I promised him it would, and I do mean that." If Cosby's film delivers just a 1-point boost, it will add close to $400 million to the market value of the soft drink company; 2½ points would be worth a cool $1 billion, give or take a few million.

We asked William Paley, the venerable CBS chairman, if CBS had made $50 million on *Thriller,* Michael Jackson's 1982 album on CBS' Epic label. Paley smiled. "You're low, way low." No wonder CBS didn't mind paying Jackson around $50 million in royalties.

It should surprise no one that Wall Street is looking for some of this action. A record company executive claims Smith Barney has been exploring ways to take part of the Michael Jackson empire public. There's also talk of taking Johnny Carson public. Merv Griffin, the ex-talk-show host who created *Wheel of Fortune* and *Jeopardy,* sold his company in 1986 to Coca-Cola for $200 million, while retaining a hefty share of the profits. (Griffin isn't on our list because he sold out to a public company, but he netted about $80 million last year from his retained share of syndication revenues. He tells FORBES he's scouting for America's first "black prime-time game show host breakthrough.")

Is it any wonder that the bidding for star power sometimes gets dirty? Eddie Murphy is a prime asset at Paramount Pictures. In an interview with FORBES, the head of a rival studio archly declared: "Off the record, Eddie Murphy is the last slave in Hollywood." What he meant was: If Murphy's people will contact me, maybe we can give him a better deal. The sly executive was hoping that if Murphy read this remark, he'd get mad enough to break with Paramount. It was worth a shot, but it got nowhere. Paramount last month wrote a new deal with Murphy, who has all the nerve he needs. When Chrysler asked the comedian to be its new pitchman, Murphy said sure, but not for less than $10 million. Lee Iacocca continues doing the job.

He neither sings nor dances nor acts, but cartoonist Charles M. Schulz, creator of *Peanuts,* entertains people everywhere. Estimated earnings in 1987: $30 million.

FORBES thought CBS made $50 million on *Thriller,* Michael Jackson's album on CBS' Epic label. William Paley, the venerable CBS chairman, smiled and said: "You're low, way low."

The entertainment business is creating wealth for the nation as well as for the entertainers and the people they work with. Ask yourself: In America's perilous trade situation, what merchandise remains among our big earners?

Computers? Computers are only thirteenth among our earners, with a net positive trade balance last year of $2.1 billion. Soybeans? In third place, with $4.6 billion. Coal? Fourth, with $3.9 billion.

Numbers one and two?

Aircraft, thanks largely to Boeing and the defense industry, is number one, with a trade surplus of $10.8 billion. But in second place and rising fast is entertainment, which earned us a $4.9 billion surplus last year and may do $5.5 billion this year. Broken down, exports of television programming will net the U.S. $500 million; motion pictures, $1.2 billion; videocassette recordings, $1.8 billion; music recordings, $1.4 billion.

Lament if you will the decline of such once mighty export industries as autos and machine tools, but the fact is that our postindustrial society is depending increasingly on postindustrial goods. Not surprising. Since more leisure time is one of the dividends that prosperity brings, the demand for entertainment goods naturally grows. The creation of products to fill that demand creates wealth.

Says Lee Rich, chairman of MGM/UA Communications: "Entertainment is probably our least recognized export, but foreign sales are coming on strong. In a very short time, foreign will be at least 50% of a picture's revenues."

As France, Italy and other countries permit commercial networks to compete with state-owned broadcasting monopolies, the value of American TV shows abroad has risen astronomically.

Chuckles Merv Griffin: "France was the great breakthrough. *Wheel of Fortune* is number one there." So much for the superiority of French culture. He adds: "Merchandising *Wheel* and *Jeopardy* [in Europe] is almost as valuable as the shows."

Warner Communications Inc. Chairman Steve Ross tells FORBES that his company has tripled sales of movies and quadrupled sales of records, tapes and compact disks in Japan in the last five years.

Though he neither sings nor dances nor acts, cartoonist Charles M. Schulz, creator of *Peanuts*, entertains tens of millions of people—a good portion of them foreigners. In Japan products bearing the likenesses of Schulz creations amounted to $350 million last year, at least ten times as much business as General Motors did there. Japan's Sanwa Bank offers a "Snoopy cash card," and Japanese schoolgirls hold up their bobby socks with adhesive from a Snoopy roll-on tube.

Not surprisingly, stars and their agents have become adept at milking their appeal for as much as they can get. Studio bosses who control a star for life and agents who take up to 50% of a star's income are mostly ancient history. Says Cosby: "It's not a matter of Colonel Tom Parker and Elvis anymore." Parker, of course, is the legendary promoter who controlled Presley's career and kept at least half of Presley's gross for himself.

Few stars are as big as Bill Cosby, and a FORBES rundown of his income sources gives an idea of how the star's charisma is marketed.

- Books: *Fatherhood* sold 2.6 million hardcover, equaling *Iacocca*'s enormous hardcover sales, and 2.5 million in paperback. *Time Flies* comes out this month with a first printing of 1.75 million hardcover. Book royalties for 1986-87: $12 million.
- Commercials for E.F. Hutton, JELL-O, Kodak: $7 million.
- Concerts: 34 shows in 1986, $4.5 million; 13 shows in 1987, $1.7 million. Total: $6.2 million.
- Casino nightclubs: 129 shows in 1986, $6.45 million; 77 in 1987, $3.85 million. Total: $10.3 million.
- Movies: *Leonard: Part VI*, $5 million (not including future profits).
- Records and videos: $1 million.
- *The Cosby Show*: Salary, $250,000 per episode—$7 million per year. Syndication: $28 million in 1987.

Make no mistake—Bill Cosby works hard for his prosperity.

After Cosby, Eddie Murphy and Sylvester Stallone are also champion money-getters. Stallone was the number one earner in 1986, with nearly

Box office bite

Ever since Rin Tin Tin's first film, *Where the North Begins*, rescued Warner Brothers from obscurity in 1923, it has paid to be the top dog in Hollywood. Rinty romped through 18 other features, sported diamond-studded collars and earned $1,000 a week in the days when you could buy a decent car for $600.

Benji, a shaggy little brown mongrel bitch, is Hollywood's number one hound today, grossing $17 million during the first 24 days of *Benji the Hunted*. Joe Camp, the writer-director-producer who made the film for $4.5 million, says proudly, "We can make ten *Benji*s for one *Ishtar*."

Frank Inn, his owner-trainer, will not reveal Benji's net income, but it could approach $1 million for 1986-87. Benji's gross is funneled through Joe Camp's Dallas-based Mulberry Square Productions, which FORBES estimates has netted at least $15 million on the $100 million gross from the mongrel's three previous films, television specials and personal appearances.

Nipping at Benji's heels is Mike the Dog, who was such a smash in Disney's 1986 film *Down and Out in Beverly Hills* that he's got his own spinoff TV show on the Fox Network. The Scottish border collie had some "insecurities" about working on a TV show at first, says Mike's owner-trainer, Clint Rowe. But what else could one expect from a California pooch with a diet of brown rice and vegetables simmered in an electric pot? Mike began in chewing gum and mustard commercials for $100 a day five years ago. In the last two years he has netted Rowe about $250,000. For personal appearances, booked through the same agent who handled Marvelous Marvin Hagler, Mike now knocks down a $10,000 fee.

Also jumping from commercials to movies is Spuds MacKenzie, the transvestite terrier who masquerades in sunglasses and Hawaiian shirts as a male "party animal" for Anheuser-Busch's Bud Light beer. (The brewery won't confirm reports that Spuds is pregnant.) The English bull terrier costars with comedian Martin Mull and the late Dick Shawn in *Rented Lips*, an upcoming spoof on filmmaking. Bud Light's Spuds merchandise includes posters, T shirts, beach towels and plush toys.

Remember Lassie? The collie starred in seven movies for MGM from 1943 to 1951, but MGM's faith in man's best friend waned after World War II. In 1951 Lassie's owner-trainer Rudd Weatherwax tried to collect $17,500 the studio owed his dog. An MGM functionary settled the debt by surrendering rights to Lassie's name. Recalls Rudd's son Bob: "The guy must have gotten fired for that."

The boner cost MGM millions. Lassie's syndicators made a fortune and paid the Weatherwaxes more than $1 million starting in 1954, when CBS' *Lassie* began its 19-year run, third longest of any dramatic series in TV history. Lassie's salary was about $100,000 a year in the 1960s. Bob Weatherwax now is pitching for a new show starring the seventh Lassie.

Predicts Kitty Brown, the aptly named editor of *Animal Entertainment*, a trade publication that's based in New York City: "Before long, the animals will have their own union."—**J.Z. and A.D.F.**

The top 40

FORBES estimates entertainment's biggest earners. Perspective: Median compensation of 800 leading corporate executives in 1986 was $706,000.

Rank	Star/age/occupation	Gross income 1986 ($mil)	Gross income 1987* ($mil)	Two-year total ($mil)
1	**William H. Cosby Jr.**/50/*actor, comedian, author*	$27	$57	$84
2	**Sylvester Stallone**/41/*actor, writer*	53	21	74
3	**Bruce Springsteen**/37/*rock singer*	29	27	56
4	**Charles M. Schulz**/64/*cartoonist (Peanuts)*	25	30	55
5	**Eddie Murphy**/26/*comedian, actor*	23	27	50
6	**Steven Spielberg**/39/*movie producer, director*	27	23	50
7	**Madonna (Louise Ciccone)**/29/*rock singer*	21	26	47
8	**Whitney Houston**/24/*pop singer*	20	24	44
9	**Michael Jackson**/29/*pop singer*	12	31	43
10	**Johnny Carson**/61/*TV host, producer*	20	20	40
11	**U2**/*rock group (4 members)*	8	29	37
12	**ZZ Top**/*rock group (3 members)*	26	5	31
13	**Jim Davis**/42/*cartoonist (Garfield)*	15	16	31
14	**Bon Jovi**/*rock group (5 members)*	10	19	29
15	**Arnold Schwarzenegger**/40/*actor*	8	18	26
16	**Kenny Rogers**/48/*country singer*	10	16	26
17	**Van Halen**/*rock group (4 members)*	22	3	25
18	**Wayne Newton**/45/*pop singer*	12†	12	24
19	**Neil Diamond**/46/*pop singer*	13	11	24
20	**Prince (Rogers Nelson)**/29/*rock singer*	15	8	23
21	**Billy Joel**/38/*rock singer*	11	12	23
22	**Stephen King**/40/*novelist, screenwriter*	6	15	21
23	**Paul Hogan**/45/*movie actor*	10	10	20
24	**Paul McCartney**/45/*singer, composer*	8	10	18
25	**Tom Selleck**/42/*TV and movie actor*	7	11	18
26	**Bruce Willis**/32/*TV and movie actor*	9	8	17
27	**Michael J. Fox**/26/*TV and movie actor*	8	9	17
28	**Willie Nelson**/54/*country singer*	8	9	17
29	**Jack Nicholson**/50/*movie actor*	5	11	16
30	**Tom Cruise**/25/*movie actor*	5	11	16
31	**Phil Donahue**/51/*TV host, producer*	8	8	16
32	**Marvelous Marvin Hagler**/33/*boxer*	3	13	16
33	**Steve Martin**/42/*comedian, actor*	5	10	15
34	**Sugar Ray Leonard**/31/*boxer*	1	13	14
35	**Mike Tyson**/21/*boxer*	3	10	13
36	**Jane Fonda**/49/*actress, exercise maven*	8	5	13
37	**Julio Iglesias**/43/*pop singer*	9	4	13
38	**Phil Collins**/36/*rock singer*	6	6	12
39	**Barbra Streisand**/45/*singer, actress*	6	5	11
40	**Oprah Winfrey**/33/*TV host, producer*	2	8	10

*FORBES projections. †Awarded $19 million libel judgment from NBC in 1986; has not collected pending appeal. *Sources include: Record, film and television executives;* Amusement Business; Video Marketing Newsletter; Variety.

$53 million. He set the current high-water mark for "upfront money" by winning a $16 million guarantee for his next picture, the oft-delayed *Rambo III.* From licensing of Rambo items alone, Stallone netted $6 million, and next year may even make a few cents from Rambo cologne.

Eddie Murphy's *Beverly Hills Cop* proved he is Hollywood's biggest star when it ran for more than a year after opening at Christmas 1984. Think of his gunshot laugh—like the image of Charlie Chaplin—as one of the few trademarks that need no translation in any of the world's 163 principal languages. Though the best guess is that Murphy got only $8 million in advance for playing detective Axel Foley in *Beverly Hills Cop II,* FORBES estimates Murphy's share of the profits will ultimately top $15 million.

Charles Schulz is right up there with the top entertainers—though he creates stars rather than is one. FORBES calculates that Schulz will earn $30 million this year from his wry merriment, which sells more than $1 billion in products worldwide and appears in syndicated newspaper cartoons in 26 languages and 68 countries. Schulz' TV specials, like *A Charlie Brown Christmas,* are perennials in most English-speaking lands.

If there's anything American more popular in Japan than Snoopy, it's American rock stars. Madonna, the incandescent rocker, created tumult on her Japanese tour last June when a monsoon rain forced cancelation of a concert in Tokyo for 40,000 fans. Disappointed teenyboppers, who had paid $35 or more apiece, rushed police and security guards. But not even Madonna can make a miracle every time. Her latest movie, *Who's That Girl,* has been roasted by critics and ignored by moviegoers, though the sound track is selling briskly.

Although relatively quiet so far this year, Bruce Springsteen and Michael Jackson are megarich. In 1984, when the Jackson family's "Victory" tour played at 19 stadiums and the *Victory* album sold a disappointing 2 million copies, Michael Jackson's earnings topped $50 million. Springsteen's 1984-85 concert tour and his album *Born in the U.S.A.* generated more than $50 million. His live 5-record collection came out in late 1986 and sold more than 5 million sets. FORBES estimates that Jackson, with a new album—*Bad*—just out and a world tour scheduled to begin in Japan this month, will earn $31 million this year, mostly in the last quarter. That's a big jump from the $12 million he pulled in last year, but only because in

1986 he neither toured nor released an album.

Michael Jackson's little sister, Janet, has sold nearly 5 million albums on A&M Records. Asked why CBS missed signing her, CBS/Records Group President Walter Yetnikoff shrugs: "Because we were schmucks, that's why."

Arista Records didn't miss any chances with Whitney Houston. This relative newcomer was brilliantly packaged. Top songwriters and producers were put on her case by Arista when she cut her first album in 1985. The gorgeous 24-year-old, boosted by plays of her videos on music cable channels MTV and VH-1, in two years has earned more than $40 million on two albums and her concert tours.

Unlike most sports figures, who are essentially hired hands, entertainers build far more wealth than their annual earnings alone suggest. Joe Namath, for example, built no equity on his past glories in pro football. Sugar Ray Leonard makes our Top 40 list because he made a bundle taking Marvelous Marvin Hagler's middleweight title last April *(opposite)*. But that was it. The residual value of, say, a prizefight replay is minimal. Entertainers and songwriters, in contrast, create fat annuities for themselves with every hit. "Artists who own their record masters and relicense them are building a capital asset tax-free," explains John Eastman, an eminent entertainment lawyer who administers the music publishing companies owned by his brother-in-law, Beatle Paul McCartney. McCartney's take in 1987 from his control over more than 5,000 lucrative copyrights will top $5 million. McCartney makes another $5 million or so annually from his 25% share of Beatles recording royalties, currently the subject of several lawsuits against Capitol Industries-EMI. All this without doing a lick of new work.

Television talk show host Oprah Winfrey tells FORBES she made her first million only last year when King World sold her show nationally. But that $1 million wasn't the whole story. Her stake in the show should generate $8 million this year.

Julio Iglesias *(left)*: "To sell music to Americans I had to know the way they laugh, the way they cry." He just cut a duet with Stevie Wonder and will earn $4 million this year.

Earle Hagen wrote the theme for *I Spy*, the 1960s series that costarred Bill Cosby and Robert Culp. Hagen, composer of scores for 3,000 TV episodes, including the whistling theme of *The Andy Griffith Show*, collects more than $300,000 a year in royalties and need never work again.

Clearly, stardom is immensely rewarding. Problem is, there are no formulas and no schools that teach one to be a star. There is absolutely no way to know which stories will click, which songs will click, which personalities will click. Only two of five major films and barely one in five records or television series recover costs. Even fewer TV shows last 75 episodes or more, enough to go profitably into syndication. "This is amateur sport. The next knock on the door could be Elvis Presley," says Jerry Moss, chairman of privately held A&M Records.

"How do you know what idea is good and what isn't?" asks actor/business agent Wayne Rogers. "Suppose a guy comes into your office and says, 'I've got this great musical about Jesus Christ.' You'd lock him up. The guy comes back later and says, 'I've got this musical about Eva Peron.' Then a third time he comes back: 'You remember that little book T.S. Eliot wrote about cats?' Well, hundreds of millions later, that's Andrew Lloyd Webber [the creator of *Jesus Christ Superstar*, *Evita* and *Cats*]. No idea is sacrosanct."

For the present at least, Americans have an unchallenged lead in the ability to pick the stories and the stars and the tunes that will tickle popular fancy throughout the world. Few people remember the BBC's *Till Death Us Do Part*. When producer Norman Lear added the American touch to the premise of that British series, he came up with *All in the Family*. Syndication revenue from Archie Bunker laid the foundation for Lear to build a $225 million fortune, enough to place him on The FORBES Four Hundred last year and pay his wife a reported $112 million divorce settlement.

On Broadway, British theater is big, but that's uppercrust stuff and penny-ante (5 of 19 current shows are British imports, but profits repatriated to London amount to less than $5 million annually). Those BBC shows shown on American public TV don't even send home $50 million a year.

What is the American touch that reaches people all over the world? Ask Julio Iglesias, the Spanish-born attorney

"I like to see my empire grow," says Sugar Ray Leonard *(left)*, who made $12 million from his title win over Marvelous Marvin Hagler, who earned $13 million.

turned crooner who has recorded 58 albums and sold 115 million worldwide. His response: "In America the music has a beat, a phrasing and a character that is popular all over the world today. Music has to be in English to sell all over the world."

Iglesias goes on: "To sell music to Americans I had to know the way they laugh, the way they cry, the way they enjoy music, the way they pull the music together and how they react to that music." Once he had that, Iglesias had the technique to appeal to people everywhere.

The entire outside world manages to export less than $400 million worth of recorded music and feature films to the U.S. One foreign film did make it big here, but only because Hollywood repackaged it. That's *Crocodile Dundee*, the Australian sleeper distributed here by Paramount and overseas by Twentieth Century Fox. Paramount paid $4 million, marketed it brilliantly and creamed more than $20 million off the top of the film's $175 million North American box office gross. (In the works: Croc II.)

Entertainment as wealth? The concept is hard to grasp in a practical nation, but it is the way the world is moving. Entertainment is intellectual property, just like computer software or patented pharmaceuticals. Michael Eisner, chairman of The Walt Disney Co., reminds us: "In Taiwan, South Korea and Tokyo, what makes their consumer electronics hardware move is mostly American product, American stars, American movies." They create the hardware, we the software. And what is wrong with that?

"Basically, in entertainment we export the English language and the American idiom of political and economic freedom," says Gordon Stulberg, president of PolyGram Pictures.

Stulberg's statement explains an apparent paradox. Why is it that in so many nations whose political and intellectual leaders pour venom on America, the ordinary citizens can't get enough of American entertainment and American fads? Is it possible that entertainers like Eddie Murphy and Bruce Springsteen better understand what ordinary people want than dictators like Fidel Castro and Mikhail Gorbachev do? ■

Bill Cosby on the market

Stars are no longer patsies for fast-talking agents and suckers for bad investments. Oprah Winfrey, the Chicago talk show host, became an instant multimillionaire last year when her program became a nationally syndicated smash. "Bill Cosby gave me great fatherly advice," says Winfrey. "Bill told me to sign every check."

Why? "We learned that after we gave away about $3 million early in our career," Cosby tells FORBES. "Then we regrouped, my wife [Camille] and I, and now—believe it or not—we mom-and-pop our business."

While Cosby relaxes every summer at the Hôtel du Cap at Antibes in the south of France, some of his money is handled by E.F. Hutton, for which he has been the television pitchman. "If I'm talking about what they're doing, I have to give them the opportunity to wheel and deal and work with the money," says Cosby.

Cosby is serious about money, but when he talks about it he can't resist angling for a laugh. We ask how he's doing in the market. Cosby does a little skit:

"The portfolio's doing fine, but, as you well know, when you get into the stock market or whatever it is you're playing, these guys move your money. And it depends on who they decide to save on a particular Wednesday.

"What is it we're playing? You sit down, you say, 'Gentlemen, is the pot right? Right. Deal the cards. All right, who's drowning? Larry's drowning. All right, everybody chip in $25 to save Larry. Wait, Bill, you're up too high. You don't mind coming down a little to save Roy. . . .' "—A.D.F.

For Hollywood stars, lavish consumption maintains the image. Too much glitter is not enough.

How they spend, how they invest

Besides piling it up, what do the great entertainers do with their cash? Live it up, of course, both for the pleasure of it and because the fans expect it. How do they invest? Generally, quite conservatively.

Steven Spielberg, the creative force behind five of the ten highest-grossing films of all time, is already worth, FORBES estimates, $200 million. Within the last few years Spielberg has begun spending: buying singer Bobby Vinton's old house in Pacific Palisades, a Malibu beach house, a "cottage" in East Hampton on New York's Long Island and a Trump Tower apartment in Manhattan. He also plunked down a cool $60,500 for the "Rosebud" sled from Orson Welles' *Citizen Kane*.

Joe Smith, president and chief executive of Capitol Industries-EMI Inc. in Hollywood, says: "In this town the big house is mandatory, the screening room is mandatory, the cars are mandatory, the house at the beach is mandatory, the Lakers tickets." Beyond that? Beyond that, what counts is current success—and power.

Says Smith: "At Morton's, Citrus, Spago, La Scala at the beach, it's not money but power that gets you into the right room. At all these trendy restaurants, they read the trade papers like crazy. The moment I'm in the paper, everybody knows it. You walk in to a lot of bowing and scraping." Smith's favorite hobby is his 8,000-bottle wine cellar.

In Hollywood lavish consumption is not merely sybaritic. It is regarded as overhead for image maintenance. Remember, the stars are selling us fantasies. It doesn't enhance an entertainer's image to drive a pickup truck around Bentonville, Ark. the way it helps billionaire Sam Walton.

Johnny Carson lavishes money on

Numbers Game

Are Japanese banks undercapitalized? That depends on how you count those unrealized stock market gains.

On thin ice

By Laura Jereski

IF YOUR BROKER calls with an offer to get in on a juicy new Japanese bank stock deal, don't be surprised. The major banks of Japan are in the midst of an unprecedented drive to raise new capital. By the end of this year they expect to have sold an astounding $10 billion (1.4 trillion yen) in new stock and other securities, available to U.S. investors either through convertible bonds or purchases directly on the Tokyo stock exchange.

But what could the banking leviathans of Japan, presumably already bursting with funds, possibly want with even more money? The short and blunt answer is that they are bowing to foreign pressure. The money raising comes in response to demands from Washington and London that Japanese banks beef up their capital-to-asset ratios. The foreigners are peeved that the Japanese banks can do business on what looks like much thinner capital bases than they can. It strikes the foreign banks as unfair competition.

Japan's banks are indeed undercapitalized by Western accounting standards, having on balance no more than about $3 of capital for every $100 of loans outstanding. This capital-to-asset ratio is nearly half that prevailing for rival U.S. and U.K. banks. In theory, British and U.S. banks are about twice as well equipped as their Japanese competitors to ride out a severe economic contraction.

For more than two years now, the Federal Reserve and the Bank of England have thus been pressuring Japanese banks to raise enough fresh capital to boost their ratios to Western levels. Yet, just as dogmatically, the Japanese have resisted, arguing that the capital/asset ratios on their balance sheets do not present a complete picture of just how strong their banks really are.

Japanese bankers have long contended that their industry's real strength resides in vast "hidden reserves" created by the fantastic rise in Japanese stock prices over the last two decades. Unlike many U.S. banks, Japanese banks are allowed to invest in corporate stocks as well as other securities. From an accounting point of view, these investments are treated as assets of the bank.

The big plus for the banks comes when stock prices rise. Since Japanese banks don't mark their stockholdings to market, the higher stock prices go, the greater the reserves hidden on Japanese bank balance sheets. For example, the stock portfolios of Tokyo's five largest city banks have a potentially realizable market value of close to $26 billion but a book value of only about $6 billion.

This kind of "pretend it's not there" accounting has suited Japanese bankers fine. Whenever a Japanese bank found itself in an unexpected earnings downdraft, all the banker had to do was dip into those hidden reserves and sell off a bit of the portfolio. That would instantly produce a fresh infusion of income without appearing to reduce bank capital at all. Now you don't see it, now you do.

And now this submerged treasure is being forced to the surface. To bring their ratios into line with U.S. and British standards, Japanese banks collectively would need at least $70 billion in new capital. The only alternative: start including those hidden portfolio gains when calculating bank capital.

But anyone acquainted with the bloated prices on the Tokyo stock exchange (FORBES, *May 18*) would shudder at counting all this market value as bank capital. So regulators have been working on a compromise. The objective: to find a mix of new capital and unrealized market gains that brings Japanese capital ratios to an acceptable level.

The result, which the Bank for International Settlements is expected to announce before the end of this month: a formula allowing banks to book up to 25% of unrealized portfolio gains. This would add over $50 billion to bank capital and still leave a nice cushion in case of a big drop in Tokyo stocks. Only $10 billion will be raised in the form of fresh equity and convertible bonds. A bit scary, no? ■

Fair trade?

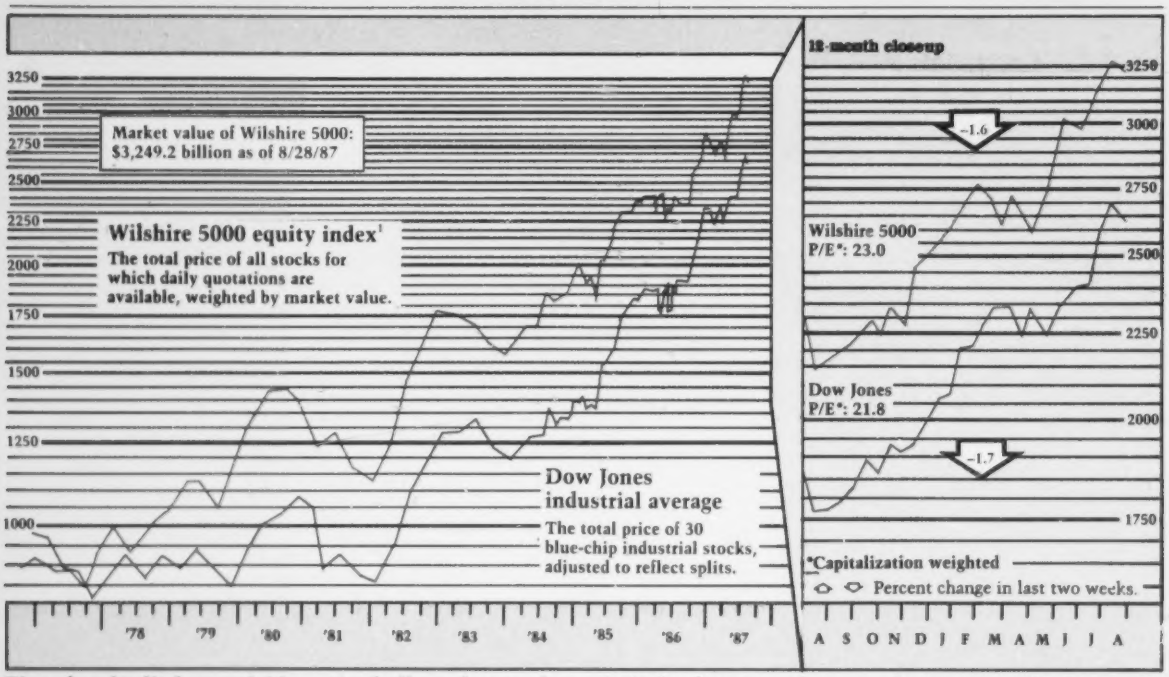
The major Japanese banks are raising over $10 billion. In exchange, U.S. and U.K. regulators will let them count as capital a portion of their unrealized stock market gains. Below, how the compromise will affect capital ratios at some of the largest Japanese banks, ranked by size.

Bank	Current capital ratio	Public offering ($mil)	Capital boost from partial portfolio gains ($mil)	New capital ratio
CITY				
Dai-Ichi Kangyo	2.87%	$915	$6,699	5.65%
Sumitomo	3.11	521	4,987	5.47
Fuji	3.31	845	5,450	5.94
Mitsubishi	3.22	1,232	6,643	6.68
Sanwa	3.02	1,268	4,921	5.86
TRUST				
Mitsubishi T&B	3.81	423	3,261	8.70
Sumitomo T&B	3.74	352	2,564	7.70
Mitsui T&B	3.44	282	3,013	8.46
Yasuda T&B	3.20	352	2,342	7.92

Sources: Salomon Brothers; Forbes estimates.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Time for the little guys? No major bull market in this century has died without the smaller-capitalization stocks' having their day in the sun. Since the rally began five years ago, the 30 big-capitalization companies that compose the Dow Jones industrials have climbed 240%, while over-the-counter issues have climbed only 184%. During the last 52 weeks the Dow has outperformed Nasdaq better than 2-to-1. But over the last 4 weeks o-t-c issues have gained ground, going up 4.2%, compared with 2.6% for the Dow. Also, over the last ten trading days only the o-t-c market escaped without a loss, inching up 0.4%. While the Dow slipped 1.7%, all the broader market averages also fell. The NYSE dropped 2%, the Wilshire 5,000 1.6% and the Amex 1.1%.

O-t-c issues that gained at least 10% during the last 2 weeks include Microsoft, a software designer; LyphoMed, a micronutrient maker; and Shared Medical Systems, a provider of data processing services to hospitals.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	2.8	2.9	2.6	2.4	0.5	4.2
in last 52 weeks	25.4	25.8	39.0	25.9	31.4	18.4

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	3.0	1.5	1.1	1.8	2.6	2.6	1.6	1.8	2.1	2.2	3.2	0.0
in last 52 weeks	26.5	46.6	70.0	20.7	28.7	15.9	7.9	61.5	65.2	17.0	23.6	39.0

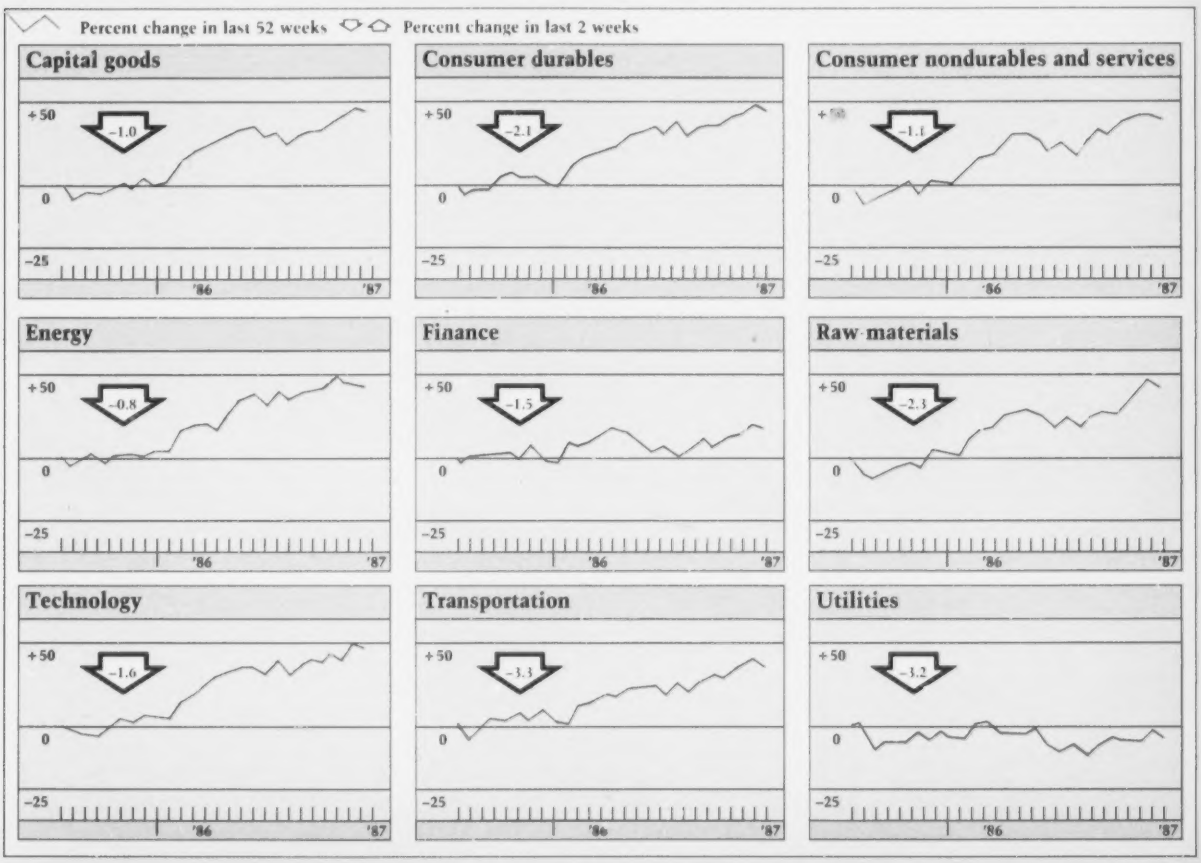
[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 8/28/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gus French

Where the Action Is

Bad news everywhere. None of the nine Wilshire sectors escaped unscathed, as the Wilshire index fell 1.6% during the last ten trading days. The worst-performing groups were the transportation and utility sectors, both dropping twice as fast as the market. Airlines—feeling the effects of consolidation, labor problems and the recent Detroit crash—weighed down the transportation group. Texas Air, NWA and AMR fell 7% or more. Kansas Gas & Electric, off 15%, and Kansas City Power & Light, down 7%, were the hardest-hit utilities. In other sectors: Raw materials and consumer durables each declined over 2%; the technology and finance sectors duplicated the market; while consumer nondurables, capital goods and energy were off 1.1% or less.



What the Analysts Think

Estimates shrink. Analysts trimmed this year's earnings projections for six of the nine Wilshire sectors during the last two weeks. These cuts leave only two sectors, utilities and consumer durables, selling for estimated 1987 P/Es under that of The Forbes Sales 500, which has an average multiple of 17 times expected 1987 earnings.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.30	21.8
1987 estimates	2.98	16.8
1988 estimates	3.85	13.0

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Consumer durables	$4.24	14.1	0.58%	2.62%
2	Energy	2.57	19.1	0.32	–0.16
3	Raw materials	2.27	18.5	0.08	–0.07
4	Capital goods	2.16	21.1	–0.16	–0.11
5	Utilities	2.61	10.9	–0.23	–0.11
6	Technology	2.43	18.7	–0.37	–0.32
7	Transportation	2.21	17.0	–0.88	–2.08
8	Consumer nondurables	2.25	19.5	–2.00	–1.80
9	Finance	1.88	18.6	–2.65	–13.39

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York based brokerage firm.

Note: All data for periods ending 8/28/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

The more you pay, the more you get. That's true in a lot of things, but it doesn't necessarily apply to investment advice.

The privilege of paying more

By John R. Hayes

YOU'RE RICH. You make $900,000 a year. You don't want to be putting your money in with a lot of $2,000 IRAs from schoolteachers. You want special treatment, and you are willing to pay for it.

The fund industry is ready to accommodate. Not counting money markets, at least two dozen funds are available with unusually high minimum investments—defined here as $25,000 or more. Some will return any check under $250,000.

And what do special people like you get? As often as not, mediocre performance and high overhead. Logically, a high minimum ought to keep expenses down—it's costly to service a lot of small accounts. In fact, the rich often don't get any bargain on expenses *(see table)*. Nor does a $1 million stake guarantee you better portfolio results than the schoolteacher gets with a $5,000 stake.

It does guarantee you some ego-stroking, if that's what you need. For example, if you put down the requisite $100,000 in the Gintel Fund, you received an invitation to a reception at Robert Gintel's Greenwich, Conn. home on Sept. 12. The menu wasn't available at press time, but previous social hours featured lobster and filet mignon. A good crowd was expected.

Gintel sends shareholders details of the fund's performance in friendly monthly letters rather than formal quarterly reports. And since the fund has only 1,034 shareholders and a $150 million cap (assets so far, $126 million), there's a good chance you'll get to know Bob on a first-name basis.

But do you really want to get to know Bob? In the 12 months to July 31, Gintel was up 18.6%, compared with 39.3% for the S&P 500. One year does not a record make, but the point remains: Being rich doesn't get you special performance.

One reason performance isn't better is that the expense ratio is no bargain. The fund started when investment adviser Gintel turned several hundred individual accounts he managed into one mutual fund. In doing so, Gintel retained his 1% management fee, as compared with the more normal ¾%. Management offers the reassurance that it owns 20% of the fund. In the words of Alexander Robinson, marketing vice president, "If Gintel and Robinson pay a 1% annual management fee along with our shareholders, it can't be that bad."

Gintel turn you off? Try the Clipper Fund (minimum, $25,000), run by pension manager Pacific Financial Research. If you have a trust that requires elaborate distributions of principal and interest, President James Gipson will be glad to help—that's the least he can do to earn his above-average 1.28% expense ratio.

"Obviously, we have incurred some additional personnel costs to provide the level of service that we do," says Gipson.

Not all high-minimum funds are for the carriage trade. Vanguard has several aimed at institutions like pension funds and endowments. Individuals can join, too, but they don't get any special hand-holding, just the fairly lean operation and low expense ratios typical of the Vanguard fund family.

One group of funds is so exclusive that it doesn't even want its name listed alongside the riffraff: Morgan Stanley's Pierpont funds, which have a $25,000 minimum. Unusual for a fund sponsor, Morgan doesn't release daily net asset value figures for publication in daily newspapers. Why the standoffishness? "We are not at liberty to speak to the press. Our policy is to maintain exclusivity," says a Morgan staffer.

The rich can afford to pay more than other folks can, but there's no guarantee they get their money's worth. Look at the FORBES honor roll of the best-performing funds *(Sept. 7)*. Some of these funds are quite happy to take as little as $250, yet are run more efficiently than a lot of the $25,000-minimum funds. ■

What's so special?

The most exclusive funds—the ones with the highest minimums—are not necessarily the best in either performance or efficiency.

Fund	Assets 6/87 (millions)	Minimum investment (thousands)	Annual expense ratio[1]	Total return last 12 mos
Clipper Fund	$90	$25	1.28%	21.5%
Gintel Fund	121	100	1.28	18.6
Mutual Beacon Fund	113	50	1.20	38.2
Pierpont Tax Exempt Bond Fund	200	25	0.80	—[2]
Trustees' Commingled Intl Equity	814	25	0.52	59.5
Vanguard PrimeCap Fund	236	25	0.82	28.6
Warburg International Fund	8	25	1.54[3]	30.6
WPG Growth Fund	153	250	1.13	34.0
S&P 500				39.3

[1]Annual expenses divided by average net assets. [2]Fund does not disclose this information.
[3]Net of partial absorption of expenses by fund sponsor.

Source (performance data): Lipper Analytical Services

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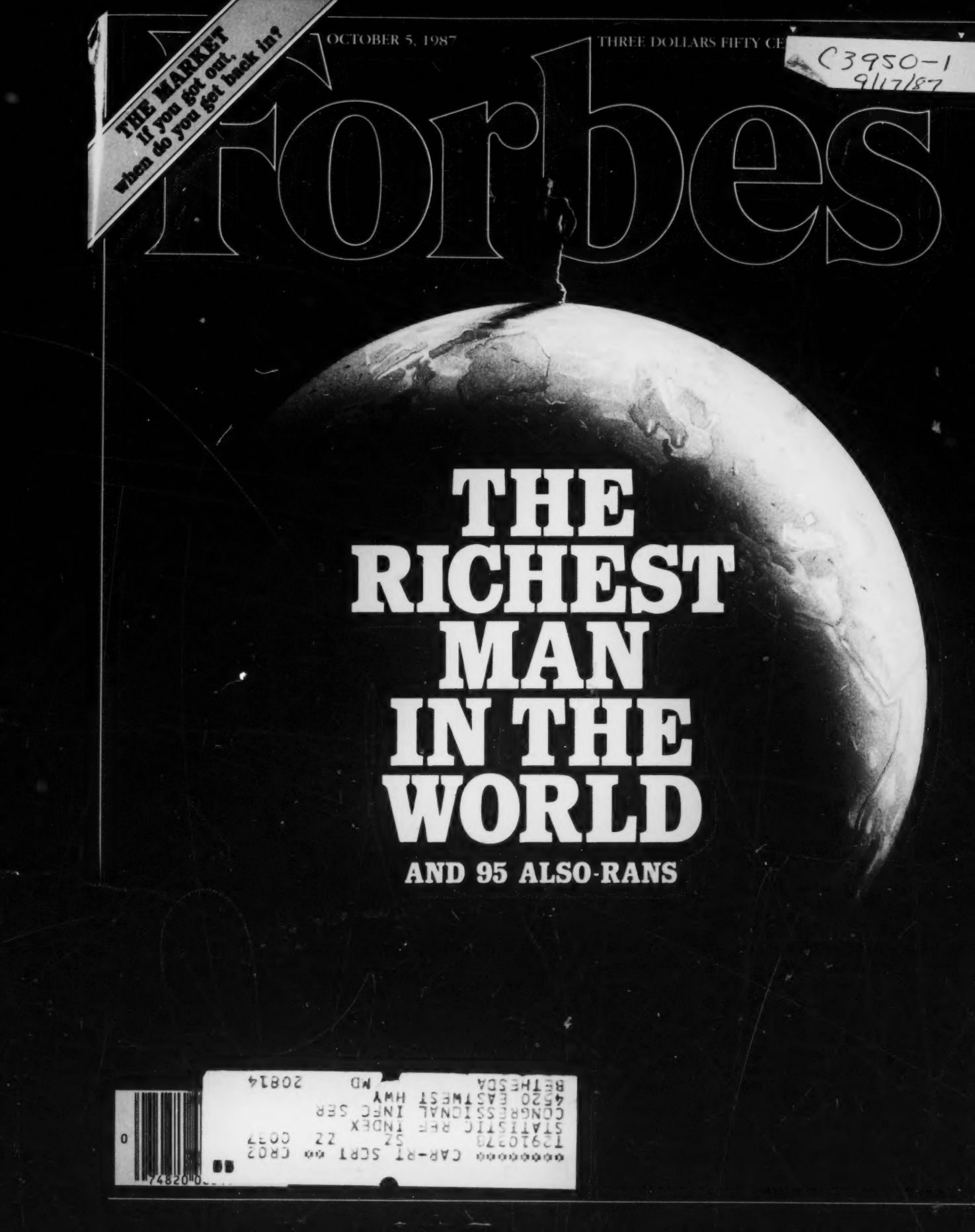
OCTOBER 5, 1987 THREE DOLLARS FIFTY CE

THE MARKET
If you got out,
when do you get back in?

Forbes



THE RICHEST MAN IN THE WORLD

AND 95 ALSO-RANS

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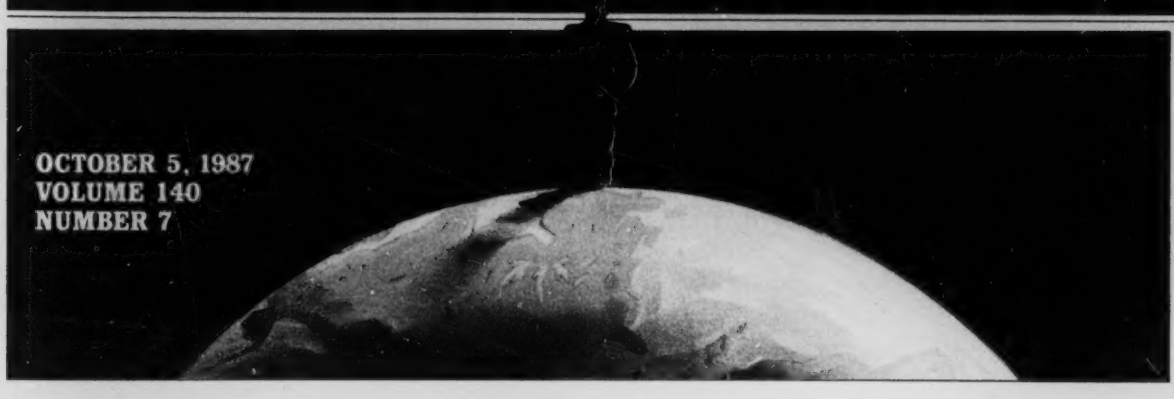

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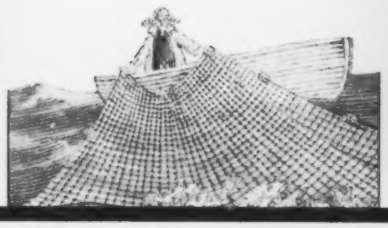

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October 5, 1987 Volume 140 Number 7 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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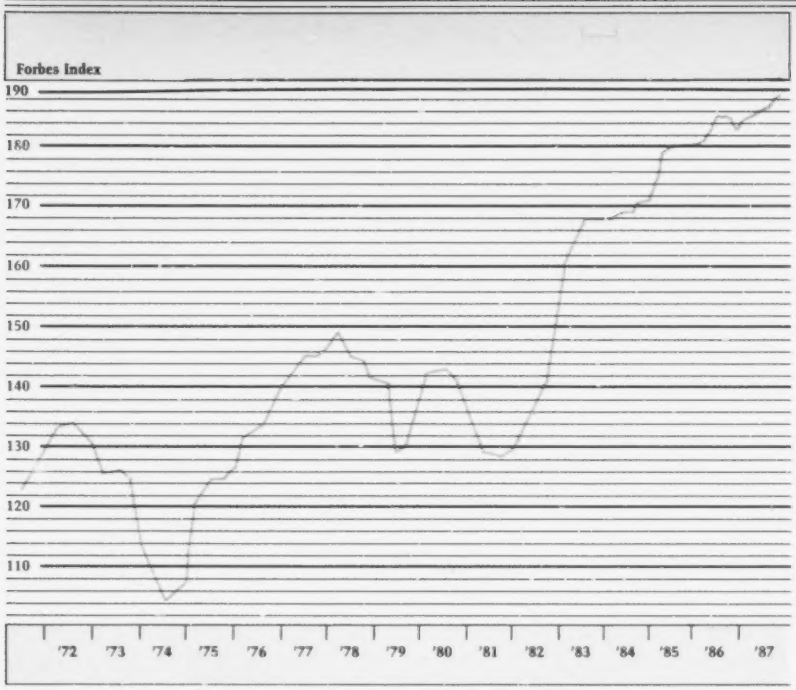
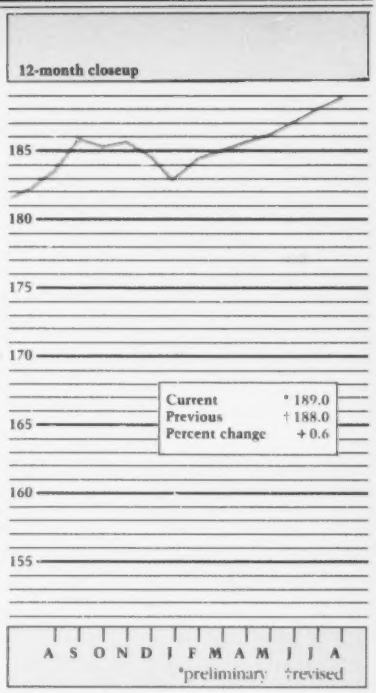
The Forbes Index





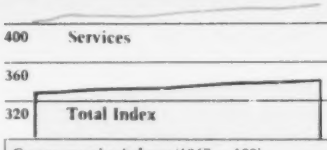
Working for a living. The trailing six-month total of initial unemployment claims fell 3.2% for the March-August period. New unemployment claims averaged only 306,000 per week in August, the lowest level in almost 13 years. The well-employed work force is spending heavily. Consumer installment credit outstanding, for example, rose to $591 billion in July, as the May-July average went up 0.4% from the previous three-month average. These two components helped boost the Forbes Index 0.6% during the most recent reporting period, the biggest gain in six months.

The ratio of manufacturers' new orders for durable goods (three months through July) to inventories (July) slipped 0.1%. Defense orders were relatively weak.

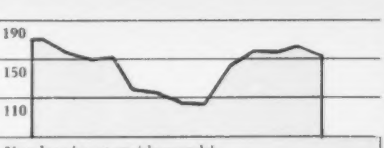
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

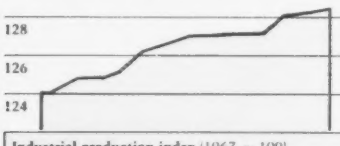
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



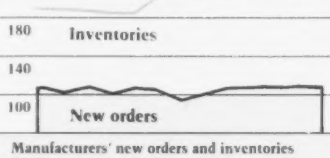
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



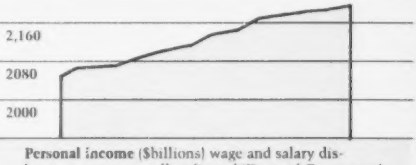
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



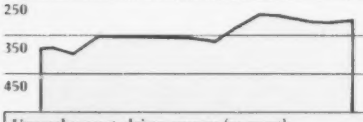
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)

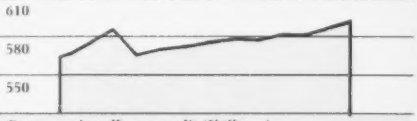


Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



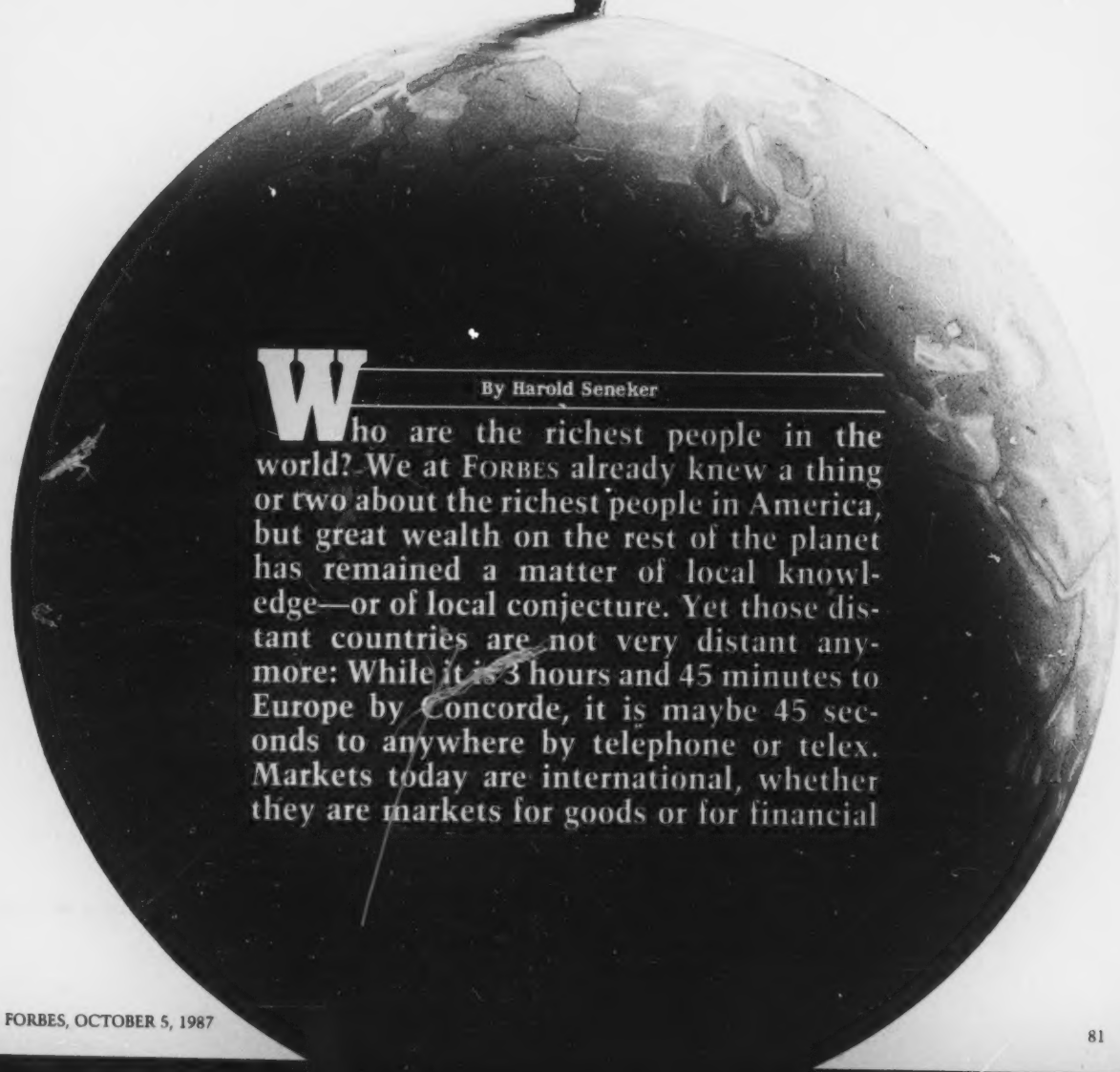
Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)

Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



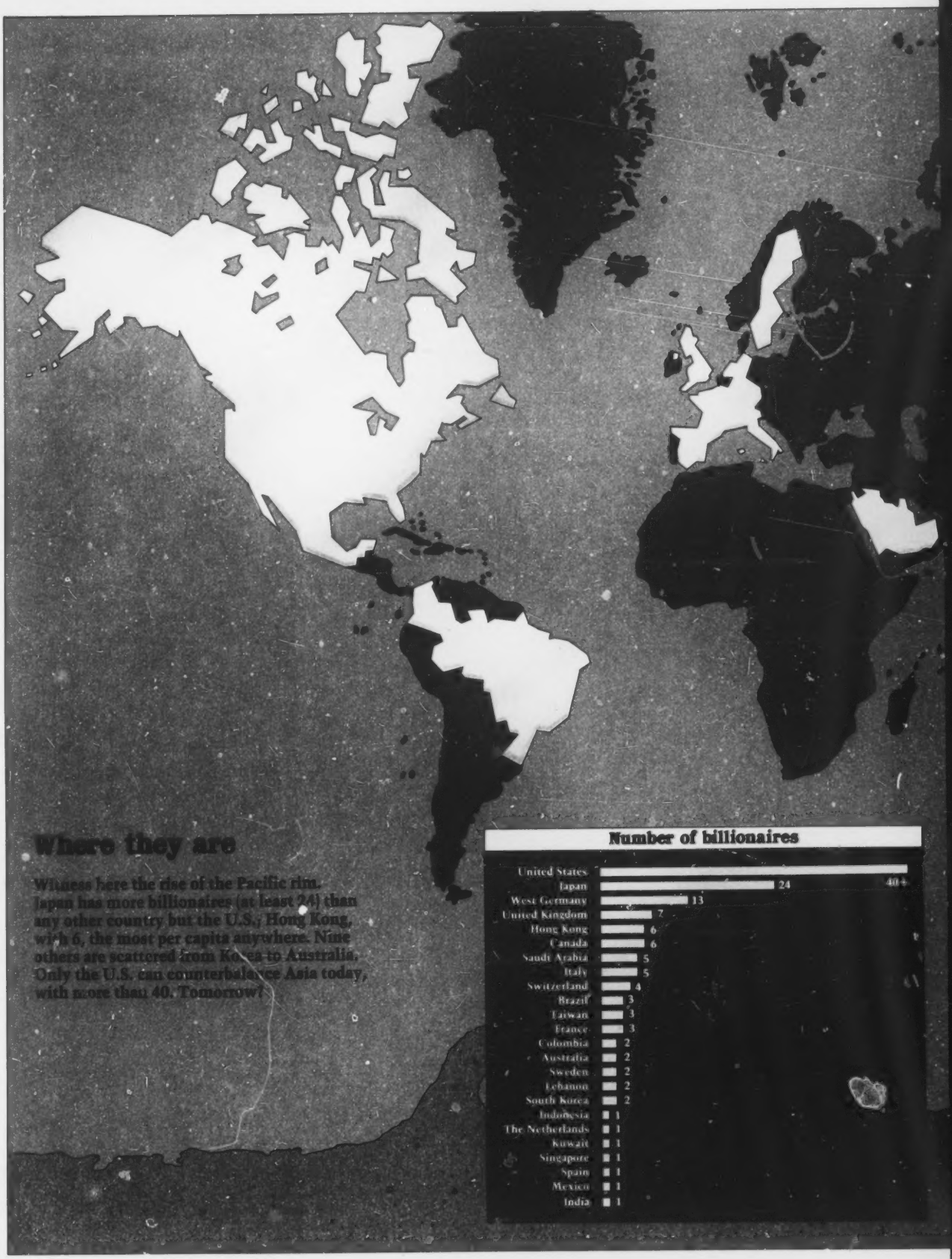
Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

THE WORLD'S BILLIONAIRES



By Harold Seneker

Who are the richest people in the world? We at FORBES already knew a thing or two about the richest people in America, but great wealth on the rest of the planet has remained a matter of local knowledge—or of local conjecture. Yet those distant countries are not very distant anymore: While it is 3 hours and 45 minutes to Europe by Concorde, it is maybe 45 seconds to anywhere by telephone or telex. Markets today are international, whether they are markets for goods or for financial


Where they are
Witness here the rise of the Pacific rim. Japan has more billionaires (at least 24) than any other country but the U.S., Hong Kong, with 6, the most per capita anywhere. Nine others are scattered from Korea to Australia. Only the U.S. can counterbalance Asia today, with more than 40. Tomorrow?
Number of billionaires
United States 40+
Japan 24
West Germany 13
United Kingdom 7
Hong Kong 6
Canada 6
Saudi Arabia 5
Italy 5
Switzerland 4
Brazil 3
Taiwan 3
France 3
Colombia 2
Australia 2
Sweden 2
Lebanon 2
South Korea 2
Indonesia 1
The Netherlands 1
Kuwait 1
Singapore 1
Spain 1
Mexico 1
India 1

instruments. German brands familiar in the U.S., Japanese brands familiar in France, U.S. brands familiar almost everywhere.

National boundaries still satisfy politicians, but they no longer restrain business people. Rupert Murdoch comes to live among us from Australia, and our three TV networks tremble. Reinhard Mohn of Germany buys one of our biggest book publishers *(see p. 124)*. A Chinese multibillionaire in Indonesia buys and sells a well-known San Francisco bank to serve his own purposes half a world away *(see p. 113)*. Billionaire cocaine lords in Colombia teach us fear on our streets *(see p. 153)*. Shigeru Kobayashi in Tokyo might already own the building where you have your office—if not today, possibly tomorrow *(see p. 99)*. But never mind: American 7-Elevens and Denny's restaurants helped make his countryman Masatoshi Ito a multibillionaire.

We decided that it is time to look at Earth's non-U.S. billionaires. We do so in this issue—the more than 40 billionaires who are U.S. citizens will be covered in our Oct. 26 issue of The Forbes Four Hundred.

We have identified 69 non-U.S. individuals with a net worth of $1 billion or more, and 27 families in that fiscal category—altogether, 96 private entities. Add, say, 45 U.S. billionaires, and you have an exclusive group with a membership of about 140 out of a world population of about 5 billion.

Did we get them all? Probably not. There are undoubtedly plenty more where these came from, but what we found is enough for now: Taking them all together amounts to an arresting, first-time-ever business portrait of the rest of the world.

After the U.S., Japan leads with 24 billionaire individuals or families. In Japan and the Pacific most of the big fortunes are still in first-generation hands—run and owned by the people who founded them. Not so in Europe: The 36 identified European billionaires mostly inherited large businesses and either maintained them or made them bigger.

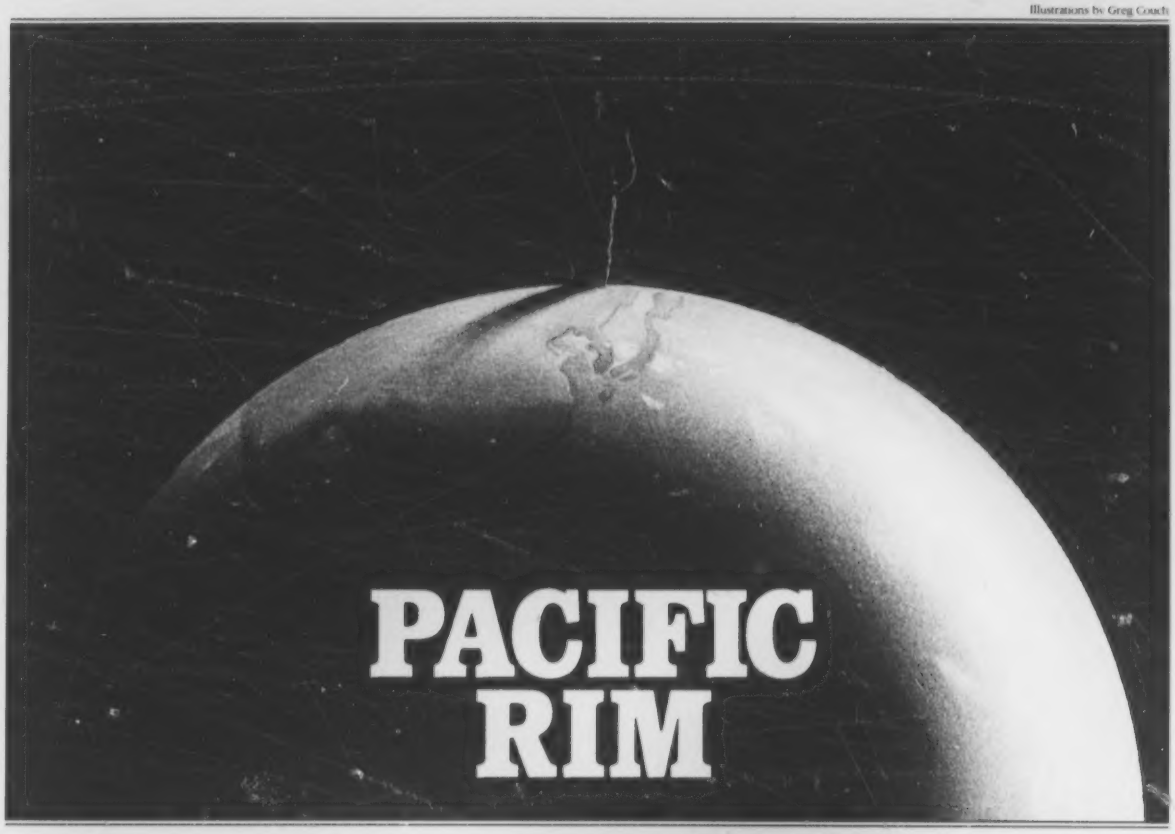
Royalty and dictators? King Fahd of Saudi Arabia could be called the richest of all, since the Saudi royal family names itself as the owner of that country's oil reserves, and the Sultan of Brunei might be second richest, but their power is political first and economic only secondarily. So we left them out *(see p. 164)*. We also left out political tyrants like Fidel Castro and Kim Il Sung, because their luxury and power depend on the gun and the knife, not on economic prowess. We left out Ferdinand Marcos and an ex-president of Mexico, because we can't trace their wealth—which, at any rate, is stolen, not won.

We even set aside people with a mere $999,999,999.99 or less to their name—denominated in U.S. dollars at current exchange rates. That left out a number of wealthy Indians, who, though immensely rich, denominate their assets in rupees, which have a low exchange rate against the dollar.

A billion dollars seemed a good place to draw a line between wealth and great wealth. How someone managed to make or hold a billion dollars is likely to tell you something about how the world works. ■

COMING: The Forbes Four Hundred—the 400 richest people in the U.S. Dated Oct. 26, our sixth annual compilation of U.S. wealth will list the four dozen or so individual Americans who qualify as billionaires.

Illustrations by Greg Couch



PACIFIC RIM

Japan

YOSHIAKI TSUTSUMI

*The World's Richest Man**

Everything that contributes to putting a man among the world's billionaires came together in the richest one of all: He is Japanese at a time when Japan is becoming the wealthiest nation. He owns a lot of scarce land. He inherited money, thus having a head start, but overcame the usual disadvantages of wealth by proving as tough and shrewd as any self-made man.

And he was lucky.

His Seibu Railway group is Japan's biggest and richest landlord. It was founded by his father, Yasujiro Tsutsumi, the son of a poor farmer.

The father was left an orphan early and was raised by his paternal grandparents. When they died he turned away from farming, selling the farm to finance an education. At college, he wasn't your typical studious Japanese. He speculated in stocks and operated small businesses. Most of his ventures failed, but then he discovered real estate development in 1918, when he was 30. By 1922 he was a success, with the money to start the bus and railway transport business that is now Japan's well-known Seibu Railway. After World War II, many Japanese aristocrats had to sell their ancestral properties in order to survive and Yasujiro went deep into debt to buy from them. Properties thus acquired became the nucleus of Japan's giant Prince Hotels chain. Yasujiro did not become liquid until the last decade of his life, and even then he aggressively piled up property. Aside from making money, women were his only hobby. He married three women

Yoshiaki Tsutsumi Zaikai

*But see page 164

and kept many mistresses. Yasujiro died in 1964.

Yoshiaki Tsutsumi—his heir and the world's richest man—was the son of a mistress. A brilliant but rebellious legitimate half-brother grew up a communist activist dedicated to Japan's radical student politics, and later became a novelist who seemed to mine the family's private life for material. Yoshiaki proved a loyal and dedicated son. Guess who inherited the bulk of the fortune.

Yoshiaki got most of the property, leaving half-brother Seiji with the Seibu department store chain and some real estate.

His father demanded that Yoshiaki sit at the side of an experienced manager, Shojiro Kojima, which he did for about a decade after the old man's death. He has struck out on his own, and between 1972 and 1979 he opened eight new Prince Hotels with great success (the newest, the Yokohama Prince, with 885 rooms, is scheduled for 1989). He is also developing several big resorts.

Now 53, he hasn't mellowed, despite his wealth and success. "I need mediocre employees," he is quoted as saying, "only my managers need to be intelligent." And he is demanding: "If you want to be a manager, forget about days off." He is regarded with such awe that a mere rumor that a new Seibu project is in the works makes land prices rise nearby.

Today the Seibu empire, parts of it publicly held, consists of railways, over 30 hotels, some 25 golf courses, ski resorts, etc.—land totaling 149 million square meters and worth well over Y10 trillion—some $70 billion. Controlling this, Tsutsumi has in his own name 40% of holding company Kokudo Keikaku's stock, worth maybe $20 billion—leaving aside the 60% held in the names of two Seibu executives. No other billionaire is as wealthy as he.—**Hiroko Asami**

TAIKICHIRO MORI

World's Richest Economist

Taikichiro Mori was a scholar by inclination, rising through the academic ranks to the prestigious post of professor of economics at Yokohama City University. His father, a rice farmer turned real estate investor, frequently sought his advice on economic trends. So when his father died, Mori, now 50, was not unprepared to take over the family holdings. As his father had sought his advice, he, in the Japanese fashion, now sought the advice of older, wiser heads. Then he made his decision: He would consruct office buildings in the Minato ward, near the government's offices, but then sparsely supplied with commercial space.

Robert Wallis/JB Pictures

Taikichiro Mori

He quit the university in 1959 and founded Mori Building. As his tenants expanded in the heady atmosphere of Japan in the 1960s and 1970s, he built more elaborate space for them. Says he: "To prevent the tenants' moving to someone else's new office building, we built new ones ourselves, incessantly." Their lesser affiliated companies took the older space.

Now Mori Building owns 65 buildings with 711,000 square meters of floor space, mainly in the Minato ward and virtually all occupied. Mori predicts that Tokyo's shortage of office space will not be solved until at least the early 1990s.

Now 83, Mori still lives the part of the quiet academic: While others wear Western-style business suits and ties, he does business dressed in a traditionally simple black kimono, governing a family real estate empire worth, at today's valuations, $15 billion, net.—**Hiroko Asami**

KIYOSHI SAGAWA

Richest Truck Driver

This is not a rags-to-riches tale: His father was owner of the biggest properties in his village in Niigata prefecture and the headmaster of the local elementary school. Yet Kiyoshi ran away from home at about 17 after quarreling with his stepmother. He moved in with a cousin who ran a door-to-door delivery business. In 1955, after a fling in the construction business, he inaugurated a courier service himself. Well, sort of: At first his equipment consisted of two bicycles, and he did much of the hefting himself.

As he added employees and bought trucks, he went to 24-hour deliveries to beat competition, and introduced a powerful incentive system: high salaries, but based on the productivity of each man. Each courier was individually responsible for obtaining orders and collecting money, as well as delivering cargoes. It worked. Sales for the 1986 business year of the Sagawa Kyubin Group were Y350 billion, about $2.4 billion. Now Sagawa is 65, and his equity is estimated at Y195 billion ($1.4 billion) at minimum.

His motto is, "Earn enough money so you can afford to waste some"—meaning: If you've got it, flaunt it. His Japanese-style home in Kyoto is enormous by Japanese standards: 14 rooms covering almost a half-acre, and it is reported that inside the garden an artificial waterfall and stream can be observed. —**Hiroko Asami**

KONOSUKE MATSUSHITA

God Of Business Management

Having heard that Osaka city ran an electric railway, I had a vague hunch that the age of electricity would soon come to Japan." That vague hunch in a former farm lad's head led to the founding of what is now one of the world's great enterprises, $30 billion (revenues) Matsushita Electric.

Matsushita's first job, as a child, was in a bicycle shop, but, later, in pursuit of his hunch and his ambitions, he got a job in an electric bulb factory in Osaka, and at 24 had enough experience to go into business for himself in a primitive way. He started an electric plug factory. Matsushita's wife of two years and her younger brother, Toshio Iue (who was later to found Sanyo Electric), were

Konosuke Matsushita

his partners.

By keeping costs down and keeping up with progress in design, the little business flourished. In 1922 Matsushita made his first diversification: He added bicycle lights, and sold directly into the retailing network, Japan's notoriously long and complex distribution chain. In 1930 he added radios.

From the start, Matsushita kept his prices as low as possible, passing on to the consumer benefits of economies of scale as production increased. Low prices were a necessity in the poor Japan of the 1920s, but the strategy developed then blitzed the U.S. market a half-century later. Matsushita incessantly discounted the prices of bulbs and batteries, competing fiercely for market share in a poor but growing market.

By the start of World War II, Matsushita had grown to be one of Japan's leading electric companies.

After Japan's defeat, the U.S. occupation authorities demanded Matsushita's removal as head of the firm for his part in the war effort, but the Matsushita labor unions strongly supported their old boss and the Americans relented. In 1951 Matsushita went to the U.S. to see the famous "rich America." Now, there was a market. He pledged to make Matsushita an international corporation.

In 1956 Matsushita was the first company in Japan to introduce a medium-term (five-year) business plan. The Matsushita group now numbers 600 related companies with $1 billion in profits from 14,000 products. Matsushita is widely respected among Japanese businessmen today as the "god of business management."

What accounts for Konosuke Matsushita's extraordinary success? Certainly good labor relations played a major part. He always encouraged every employee to feel responsible for each task, and for the success of the business plan itself. He knew how to get and keep the loyalty of employees. Perhaps that is because, unlike many other self-made men, he never forgot what it was like to be poor. Matsushita started working at age 9 to help support his poor family.

With a net worth of $2 billion, Matsushita is no match for some of Japan's property billionaires, but as a respected figure he towers above them. At 92, he is regarded as an almost saintly figure.—**Hiroko Asami**

HARUHIKO YOSHIMOTO

Don't Consume, Acquire

Once, in the Edo era (1603-1867), his family was a major landlord in the Osaka area, blessed with enormous farmlands. But times changed and much of the land was lost to confiscation and taxation. When World War II ended, Haruhiko Yoshimoto's company, Yoshimoto Tochi Tatemono, owned one lot somewhat larger than 6,000 square meters. Good luck, though: The sole lot was near the Osaka station.

The family's comeback as well as Haruhiko's great fortune owe much to an old family trait: Parsimony; don't consume, acquire. His motto: Save even one yen (0.7 cents) whenever you get a chance, and with it buy land.

Kyodo Press

Haruhiko Yoshimoto

Yoshimoto appears to enjoy exploring the outer limits of stinginess in the never-ending search for one yen. "In my office it is quite rare to place a long-distance call," this multibillionaire explains in his biography. "We wait until the other end rings. Neither do we buy writing pads, which my employees obtain from banks' counters." He is the only person among the billionaires so far contacted to have asked FORBES for an interview fee. He has written more than ten books on how to be really parsimonious and on how to make money.

Now that he is nearly 64 years old, his total property portfolio—including the original parcel with its office building near Osaka station, and the other 330,000 square meters of real estate accumulated in Osaka city and Hyogo prefecture—are lately worth nearly Y1 trillion, or some $7 billion.—**Hiroko Asami**

HIDEKI YOKOI

Billion-Dollar Ruin

He is a merciless man, it is said in print, a profiteer, and much more in the same vein. His miserable childhood may provide an explanation: His family was poor, his father alcoholic. Though he wanted an education, his father said no. Hideki ran away to Tokyo at 15 and apprenticed himself to a cloth wholesaler. Soon he had his own shop. But in the 1930s, with Japan arming feverishly and the militarists increasingly dominating the government, he switched gears and went into the military supply business and soon employed 3,000 people.

Behind the rapid growth, it is reported, were corrupt connections within the military. Example: Soon after the end of the war, Yokoi reportedly paid for military supplies by forging documents and sending faked billings before the U.S. occupation government stopped all payments for military procurement.

During the occupation Hideki again became a supplier of military clothing, this time to the U.S. Now, more good timing. In the early Fifties he shut the clothing factories and entered real estate. His wealth increased, but not his popularity.

His Hotel New Japan purchase in 1979 was supposed to establish his status and reputation. This hotel, on a large and beautiful site in central Tokyo, was a landmark in the capital city. But in 1982 it burned, and 33

Lucy Birmingham

The New Japan Hotel, shown here, sits on an 8,700-square-meter (2.15 acres) plot in the heart of Tokyo. Ruined hotel and all (it is burned out within), the site is valued at some $1.8 billion. That's about $18,500 per square foot. This magazine, opened and placed on the front step, would cover an area worth almost $23,000.

Zaikai

Hideki Yokoi

persons died.

The inquiry that followed revealed Hideki had economized a bit too much: He had failed to install the required fire-prevention equipment. Convicted of negligence and sentenced to three years, he is currently out, at age 74, on $1.6 million bail, pending appeal.

Meanwhile, the value placed on the devastated hotel site has risen dramatically—tenfold or more—since the fire. Today it is valued, with ruined hotel and all, at more than $1.8 billion (Y262 billion total, his 90% equity Y235 billion). Yokoi has turned away would-be buyers. With his other properties in Tokyo's more expensive districts, his wealth is thought to be well over Y247 billion—$1.7 billion.

And what about respect and admiration and the opinion of posterity? His tomb is reported to be of enormous size, in one of the most expensive cemeteries in Tokyo. Within the tomb, costly chandeliers await his arrival. If $1.7 billion can't buy you respect, it still can buy you an impressive mausoleum.—**Hiroko Asami**

YONEICHI OTANI

Son Of Indomitable

His father was a poor farm boy who became a sumo wrestler, a wine shop operator and finally a successful businessman, and made a fortune helping rebuild Tokyo after the Great Earthquake of 1923. In the end, Yonetaro Otani's small steel mill couldn't compete with Japan's steel giants, but real estate saved the family's fortunes.

In the mid-Fifties, Yonetaro bought a 69,000-square-meter parcel in the Akasaka entertainment district, where the now well-known Hotel New Otani is headquartered. Yonetaro explained in his biography that the land was being offered by an impecunious Japanese aristocrat and the city government wanted to keep it out of foreign hands. Yonetaro bought it as a patriotic gesture. That gesture made his family billionaires. A great land and hotel business grew from it.

The son, Yoneichi, worked in the family business even while attending Waseda University. The ever-dutiful son worked in the steel business, then

Kyodo Press

Yoneichi Otani

Robert Williams/JB Pictures

Rinji Shino

shifted to real esate. He built successfully on what his father started.

Yoneichi Otani is much different from his father. Where Yonetaro struck Japanese as imperious, Yoneichi is well-liked, open and sociable. He is also a tough, shrewd businessman: When the annex of Hotel New Otani opened in 1974, for example, he doubled the number of rooms but held the total manpower increase to about 1,350, from 1,250.

Yoneichi, now 72, has a net worth, at minimum, of Y327 billion, about $2.3 billion.—**Hiroko Asami**

RINJI SHINO

The Good Earth

Rinji Shino was born with the proverbial silver spoon. The Shino family is an old and prosperous one, which traces its ancestry to Kiyomori Taira, a ruler of Japan in the 12th century. Rinji's father was the president of Kansai Electric Power Utility Co. and owned a huge plantation-like property in the Kii Peninsula, near Osaka, worked by hundreds of sharecroppers. In the Taisho era (1912-26) he owned three villas and drove a Model T Ford—a man of considerable substance.

But the family's comfort was to be shattered. The electric company was nationalized. After WWII the huge farm was distributed to poor peasants.

Rinji Shino was determined to get the land back. He sold most of the considerable fortune in equities he inherited from his father and bought back as much Kii land as he could, both the old patrimony and any other parcels he could find at a good price. From this near obsession came a great fortune.

His land acquisitions reached a peak during 1957-59, with 1.3 million square meters near the new Osaka International Airport.

"When I bought it in 1958, the lot cost less than Y300 per square meter, but now it has shot up to Y100,000," he says. Total land properties in the Kansai area: nearly 2 million square meters, valued near Y300 billion, or about $2 billion.

He has sometimes gotten in trouble over his conversion of farmland to nonfarm uses. In 1963 he fled to France to escape an investigation into construction of his Sennan Country Club—under the laws at the time the land was not approved for use other than farming. He enjoyed himself in France but didn't neglect business. He bought there a 3-million-square-meter woodlot with heavily restricted development rights for Y200 million ($1.4 million) at the west end of Fontainebleau, near Paris. Soon the Paris subway will be extended to Fontainebleau, and land values have doubled.

No longer a fugitive, Shino, now 78, has retired to an aristocratic lifestyle at his home on a small mountain in Kii Peninsula. But there is an international touch. His home has French interiors. His two museums nearby store and exhibit the family's treasures, mainly old Chinese and Korean potteries—but also world masterpieces that include a Picasso. His table wine is a Monsieur Shino, delivered from his winery in France, where he visits at least twice a year.

And he is considering purchasing another vineyard—this time for champagne.—**Hiroko Asami**

KIYOFUMI MOROTO

The Woodsman With
The $300 Million House

Kiyofumi Moroto's fortune may be judged by his Tokyo home, a modest property, a little over an acre in the nice area near Shibuya station. Estimated worth? Y45 billion, or $316 million. Then there's a second house, in Kuwana City, on four to five acres. It may not be worth quite as much, but then its gardens are so beautiful that it has been designated a national treasure.

Moroto's isn't the usual Japanese success story. The traditional story is the son who got up earlier than anyone else and ran the family shoe store, plus a few real estate investments,

Robert Wallis/JB Pictures

Kiyofumi Moroto

into a $1 billion business. Moroto did it the old-fashioned way: inheritance.

His family, samurai warriors until they were defeated in battle 400 years ago, settled in to become agricultural landlords for a few centuries. Then the government, wanting to privatize some of Japan's national forests, made an offer that Kirofumi's grandfather couldn't refuse, and the family became forest owners instead of farmland owners.

Kiyofumi, now 75 and the present patriarch, took over at 17 because of the early death of his father. "Since then I have pledged myself to observe the will of Grandfather to live with the forest," Moroto says. Total value of his forests—some 3,000 hectares, or 7,410 acres—is estimated at well over Y16 billion, or $112 million. This, he contends, is an "interim figure" that could grow. Anyway, housing is yet to reach the peak, and Moroto wants to keep the precious logs—50- to 80-year-old cedars—off the market at what he regards the current "cheap" price.

Still, forestry is the smaller part of the family interests. Some of the land is now part of the town. Moroto rents out more than an acre in Shibuya—that's where Moroto's house and lot are, worth $316 million—and he is president of Moroto Towel, one of the largest towelmakers in Japan.

Altogether, he appears worth just about $1 billion. And think of the letters offering home equity loans.—**Hiroko Asami**

HIROTOMO TAKEI

"Sex, Sports And Screen"

They figured Hirotomo Takei would never be much of a journalist, but he really had the basics down pat: "The three Ss, namely sex, sports and screen [movies]." That was the self-described editorial policy of *Asahi Geino*, a weekly magazine he started in 1947. It was a runaway success.

Takei started as a newspaper reporter in 1943, but transferred to the business side after a couple of years, quit during a strike, first starting up a textbook house and then his own magazine. He later helped make *Yomiuri Shimbun* the biggest daily in Japan, but quit after that, reportedly saying, "I have gone too far with youthful follies," which meant his do-it-alone success had been called arrogance and angered his seniors. Very un-Japanese behavior.

Zaikai

Hirotomo Takei

What happened after that was more in the mainstream. He had inherited some real estate and proceeded to develop it after 1958. His companies now own 29 golf courses and 33 hotels. In 1964 he took over a quasi-bankrupt leisure company. Now renamed Chisan Tokan, it has interests in real estate, hotel and office rentals.

Total revenue of the Takei empire, which includes convenience stores, restaurants and newspaper distribution again, is well over Y100 billion (or some $700 million). His and his family's properties are worth a minimum Y184 billion—$1.3 billion. Takei, now 66, is semiretired, writing books and painting.—**Hiroko Asami**

MASAHITO OTSUKA

One Man's War

One man's meat is another man's poison, one man's war is another man's profit. That's the story of Masahito Otsuka. He figured that the chaos and destruction in Asia after World War II would be good for a medicine company. So, at 28, he added drugs to the family chemical manufacturing and brokering business on Shikoku Island.

He was right. Business boomed, but so many other pharmaceutical companies had the same idea, and expanded production, that Otsuka was close to bankruptcy. In too deep to turn back, he gambled and upped the production of his injectable drugs despite the business reverses—just in time for

Zaikai

Masahito Otsuka

the boom triggered by the Korean War, which started in 1950.

Business shot up from Y18 million a month to Y100 million. Still lacking the technology and money to develop the new products of the big drugmakers, he figured the only way to survive was to imitate their major products and sell them cheaper, another successful strategy.

Today, thanks to good business in anticancer drugs, Taiho, the main company of the Otsuka Pharmaceutical Group, reported Y7 billion profits on revenues of Y59 billion for the year ended June 1986. With a P/E of 95, the holdings of the 70-year-old Chairman Masahito Otsuka are worth more than $1 billion.—**Hiroko Asami**

KEN HAYASHIBARA

Sweet Revenge

It's an old story: The family fortune is stolen away, but the young heir builds a new one, even greater, while the greedy thieves fail. Hollywood loves that plot and so must Ken Hayashibara.

His great-grandfather, Katsutaro Hayashibara, founded a malt syrup company in the last century. Ken's father, Ichiro, parlayed this into what was the largest candy company in Japan, Kabaya Shokuhinas. But when Ichiro died of cancer at 52 in 1961, the candy company directors issued more stock and maneuvered control away from the family.

Ken turned to biotech, developing maltose, the basic ingredient of a sugar intravenous drip, which gave his fledgling Hayashibara Biochemical Laboratory, Inc. the dominant role in that part of the pharmaceutical market. Now he's into genetic engineering, trying to develop an interferon.

With prosperity thus restored and the family crises resolved, the 44-year-old company president is a homebody, reading and practicing his karate. And the real estate assets, which Hayashibara held on to and built up after his father's death, have mushroomed in value to about Y146 billion, or $1 billion. That even dwarfs the family's estimated Y11 billion ($77 million) equity in Hayashibara.

The lost candy company, meanwhile, has since declined sharply. Success is sweet revenge.—**Hiroko Asami**

Kyodo Press

Ken Hayashibara

SEIJIRO MATSUOKA

Early To Bed

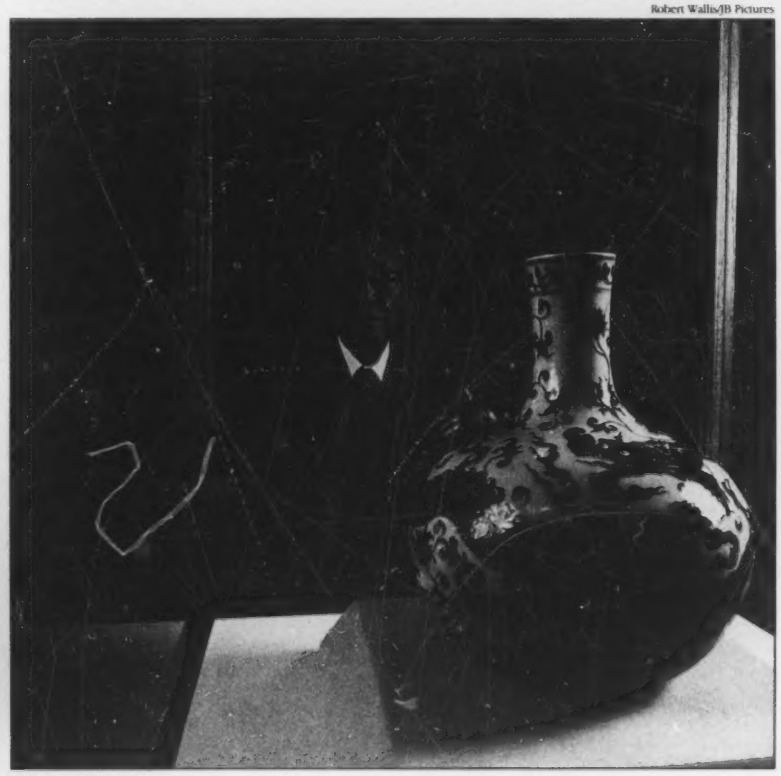
Want to become a billionaire? Seijiro Matsuoka has some advice for you: Get a lot of sleep—as much as 12 hours. He wakes at 7:30 a.m. and goes to bed at 8 p.m. (Also, he says, eat a bowl of ground white Japanese radishes every morning, enjoy a nightcap and have a hobby. His hobby? Buying art and real estate.)

Born the third son of a rice retailer in central Tokyo, he graduated from a commercial school and went to work as a clerk typist. Believing that English would be a big help to a successful businessman, he learned it from British missionaries. At 22 he founded a trading company. His first fortune came during World War I. He imported women's hair accessories and fake diamonds from what is now Czechoslovakia and was then Austria-Hungary, even though Japan had entered the war on the Allies' side. The goods were transshipped through the U.S. as long as it remained neutral. This brought enormous profit—around tenfold, he has said.

Other profits came from roundabout trades—shoe strings and pencils, for example, shipped to England, from there re-exported to Egypt. Matsuoka knew how to get around trade barriers—that was his great talent. He used to devote himself to the trading business daily until dawn.

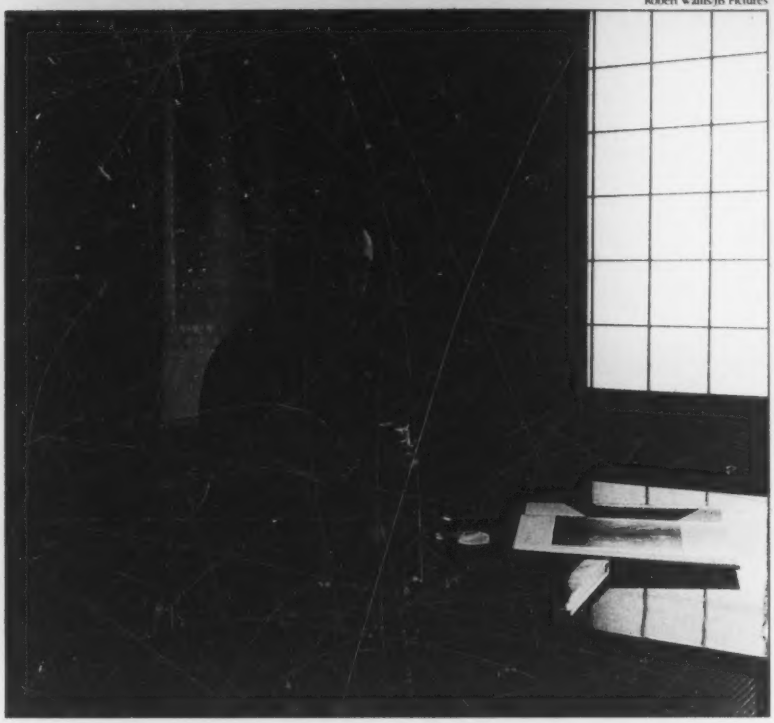
Nevertheless, the profit began to drain out of the business as conditions deteriorated in the 1920s. He switched into real estate. The Great Earthquake of 1923 gave him his first opportunity: a 100-square-meter space in the Ginza for only Y4,000.

Robert Wallis/JB Pictures



Seijiro Matsuoka

Robert Walls/JB Pictures



Shoji Uehara

Today his holdings include 20 Tokyo office buildings, plus a hotel at the Ikaho hot spring.

Now 93, he says: "I like to buy land, since it brings you money in your sleeping." He can say the same about his art collection, over 2,000 pieces, many, but by no means all, ancient Chinese ceramics. Scholars disagree on the authenticity of his pre-Christian Greek and Indian stone sculptures. But Matsuoka remains an aggressive bidder at Sotheby's and Christie's. To maybe $2 billion in real estate, add at least $100 million for his art—even if some of the stuff is of doubtful authenticity. **—Hiroko Asami**

SHOJI UEHARA

All In The Family

I will never match my father," said Shoji Uehara modestly. His adoptive father, Shokichi, had taken a small chemical company, Taisho Pharmaceutical, and turned it into one of Japan's richest companies. The father also served in the upper house of Japan's parliament for three decades.

But Shoji, now 59, was always too modest about his abilities. He inherited properties worth Y67 billion in 1983—the inheritance tax of Y25 billion set the record in Japan. Today his share of Taisho, which he ran, is worth Y112 billion, and with the shares owned by his immediate family, worth Y190 billion, or $1.3 billion.

Shoji wasn't Shokichi's real son, but a nephew through his wife. He was adopted by the couple, joined the company in 1948, was president by 1973 and chairman in 1982. Now the pattern is repeating with the company's being handed down—but not directly. Akira Uehara, the current president of Taisho, is Shoji's son-in-law. He has adopted the family name, and eventually Akira will succeed Shoji as head of the family. The bloodline will change again, but it's all in the family.**—Hiroko Asami**

YOHACHIRO IWASAKI

The Crazy Man

Born to a poor farm family like so many other Japanese billionaires (in Kyushu, the southernmost of the Japanese islands), he was apprenticed to a liquor maker and retailer. The shop bought from wholesalers the large bags of sweet potatoes used to make a Japanese firewater called *imo shochu*. To reduce cost, the youthful Yohachiro suggested the owner "field purchase"—that is, reserve the production of potato fields before harvest. Appointed as the dealer, he undertook a thorough investigation of each field, including past output results. That pattern—innovation backed up by careful, extensive study—would become his hallmark.

Japanese expansionism and development, he realized, meant extensive railroad construction; railroad ties would be needed. He jumped into logging, made out nicely in the aftermath of the Great Earthquake of 1923 and invested his profits in forest land. By the mid-1920s Iwasaki was one of the biggest log dealers in Japan. As the Japanese government extended Japanese railway tracks into China in the wake of Japanese invasion forces, Iwasaki made huge profits. He bought real estate.

Tourist real estate was an early interest. Iwasaki creates resort centers, sometimes in isolated towns and sometimes in foreign countries, for the Japanese, who like to stick together even while traveling. He is now creating an enormous Japanese resort on the Tropic of Capricorn on the central Queensland coast of Australia, a 20-kilometer seashore with planned hotels, golf course and tennis courts, and a 3,200-meter-long runway. He is buying land at the southern end of the Baja California peninsula in Mexico for a comparable project. The sales point is "the whales playing in the wide blue sea," he says.

Still a country boy at heart, the 85-year-old Iwasaki still bases his Iwasaki Group of some 50 companies in his native Kagoshima rather than in

Kyodo Press

Yohachiro Iwasaki

Tokyo. Today he owns Tokyo properties worth some Y50 billion, and other Japanese real estate worth some Y750 billion. His total holdings come to some $5.6 billion.—**Hiroko Asami**

EITARO ITOYAMA

Rebel With A Cause

Eitaro Itoyama was born on the wrong side of the bar sinister. His father, Shintaro Sasaki, made a fortune manufacturing light bulbs before the war, and building hotels and golf courses after. But Eitaro's mother was Sasaki's mistress, not his wife, meaning that this son couldn't assume the family name.

Eitaro, avoiding his father, went out on his own, dropping out of the university and becoming a car salesman. He built his own business, but a supplier skipped out with his money, driving Eitaro to the wall. He was forced to go, hat in hand, to his father. But he'd earned the elder man's respect, and they hit it off when they met; Eitaro was taken into the family business.

Once together, they were a spectacularly successful partnership. Eitaro became a public figure, leading takeover battles, first against Nakayama Steel Works in 1971-72 and later against Yomiuri Land, in 1984, helped by his father and noted racing magnate Ryoichi Sasagawa (Eitaro married Ryoichi's niece).

Eitaro, 45, has been in the legislature since 1974, but his political career is overshadowed by the business. When his father died at 82 in 1985, Eitaro became chairman of the family firm, Shin Nihon Kanko, and he and his two sisters inherited 8 of the company's 12 golf courses, by themselves valued at over Y421 billion, or nearly $3 billion. The lesser part of the fortune was bequeathed to his legitimate half-brothers.—**Hiroko Asami**

MASATOSHI ITO

Go West, Young Man—To Learn

Masatoshi Ito visited the U.S. in 1960, and from that first visit grew a web of supermarkets, restaurants and department stores with a market value of $15 billion, second among the world's retailers after Sears, Roebuck.

A graduate of a commercial high school in Yokohama, Ito started a successful clothing store in Tokyo immediately after the war. But after his fateful 1960 journey, he opened a chain of then-novel American-style supermarkets. A big success, he went back in 1972 to approach Dallas-based Southland for a royalty agreement. He opened his first Japanese 7-Eleven in 1974. Another brilliant success: The 1,000-square-foot stores are too small to be restricted under the Large-Scale Retail Store Law meant to protect mom-and-pop shops in Japan's complex distribution system. Moreover, the 3,000 or so shops are open 24 hours, perfect for hardworking people with no time to shop in supermarkets that customarily close by 7 p.m. Denny's Japan is another profitable by-product of Ito's marketing tours in the U.S., serving moderately priced (around Y1000, or $7.04) meals to young suburban families in a relaxed American atmosphere.

Robert Wallis/JB Pictures

Masatoshi Ito

U.S. retailers are not Ito's only teachers. He also follows Konosuke Matsushita's rationalized business techniques and radical decentralization of management (carefully monitored from headquarters, of course) and has even adapted Toyota's famous *Kanban* system of tight inventory control.

When Ito encountered a slowing in his business in the early 1980s, he again turned to the Americans. Inventories were getting out of hand as sated Japanese consumers began to pick and choose. So he quickly introduced NCR's POS system at the cash register. The now-familiar laser-based tag readers quickly demonstrated their power to control inventory and analyze which products were selling and which were not. From 1982 to 1985 inventory turnover speeded up to 18.4 days, from 25.8.

The stake that is owned by Masatoshi Ito (now 63) and his family in his major interests alone—that is, Ito-Yokado, 7-Eleven and Denny's Japan, recently topped Y277 billion, about $2 billion.—**Hiroko Asami**

KANICHIRO ISHIBASHI

From Kimonos, Tires

Bridgestone Tire? Funny, the name doesn't sound Japanese. It isn't supposed to. The founder of the premier Japanese rubber company, Shojiro Ishibashi, knew that in 1931 the Japanese did not trust Japanese industrial products. So he chose an English-sounding name for this very Japanese enterprise. Furthermore, the name would help in opening overseas markets.

Born in 1889, Shojiro was the second son of a kimono tailor. Since his father was ailing, he took over the business with his elder brother and decided that machine-made clothing

Kyodo Press

Kanichiro Ishibashi

for the masses was the way to go, not traditional hand tailoring of kimonos. Shojiro set up a factory and installed machinery for mass production of men's socks.

How do you get from socks to auto tires? Indirectly, but logically, in this case. In 1923 his company, which along the way became Japan Gomu (Rubber) K.K., started production of tough, rubber-soled socks designed to replace the flimsy straw shoes called *waraji* worn until then by Japanese laborers. An early (for Japan) automobile buff, Shojiro the sockmaker was quick to appreciate the analogy to rubber tires. In 1931 he set up Bridgestone Tire with his elder brother and was on his way.

By 1933 he was exporting. During World War II he produced tires for aircraft and military trucks. That put him in trouble when U.S. forces occupied Japan, but Bridgestone rode it out. By the end of the Sixties its production was equivalent to half the total Japanese domestic consumption of 60 million tires per year.

Kanichiro, the eldest son, joined in 1945, after being graduated from Tokyo University. In 1963 he took over, at age 41, although his father lived on until 1976. He was quick to employ the quality control system known in Japan as the Deming Plan, after W. Edwards Deming, the American who made it a byword in Japanese manufacturing. Nevertheless, Kanichiro resigned in 1973 by an "order" from his father: The founder had decided that family management no longer suited the company. Today Kanichiro, 67, is Bridgestone's honorary chairman, and he and his family own shares and real estate interests worth more than $1 billion.—**Hiroko Asami**

KEIZO SAJI

Beer, Whiskey And Bare-Shouldered Women

Suntory was founded in 1899 by Shinjiro Torii, a young wine shop merchant who knew Japanese wine was foul-tasting and yearned to make something better. He began in 1907 with Akadama Port wine.

From the first, his company's hallmark was ingenious advertising. With the wine a success, in 1923 he set up a distillery in Yamazaki, situated between Osaka and Kyoto, and began to market Suntory whiskey in 1929—scandalizing Japan with the first ad using a bare-shouldered young woman.

He prospered, but modestly, until the 1950s, when Japan as a whole began to prosper and the Japanese began to imitate Western ways. They wanted whiskey, and—thanks to Japanese protectionism—Suntory was what they could get. Business boomed.

Kyodo Press

Keizo Saji

In 1961 his son, Keizo Saji, 41, took over the presidency. (His last name is from his mother's side of the family. It is not uncommon in Japan for an only daughter to perpetuate her family's name in this manner.) Saji's main accomplishment so far has been a 1963 relaunch into the fiercely competitive beer market against established competition from the likes of Kirin and Asahi.

At first Saji chose the then small and less crowded draft beer market, and also marketed a canned instead of bottled product. He installed vending machines at almost every corner of the Tokyo area. As a result of such strenuous efforts, he has gained around a 9% market share in beer. That is relatively small compared with his penetration in whiskey (68%) and wine (23%), but apparently a nice piece of business all the same.

He is now trying to develop a major Suntory biotech business, for which he set up a genetic engineering laboratory in 1979.

For now, the Tokyo-based Suntory group comprises alcoholic beverages, food manufacturing, distribution, publishing and real estate. Nearly all the shares, worth an estimated Y583 billion, or some $4 billion, are owned by Saji, now 67, and his family, including Michio Torii, his younger brother.—**Hiroko Asami**

MASAO NANGAKU

Bowling For Dollars

Before this year Masao Nangaku was nobody in the U.S., and even in Japan, he was Masao Who?

Then he began spending: In spring he bought a forest on Oahu to chop into a golf course. In early summer there was a castle in West Germany to become a hotel. Then he bought the Dunes hotel-casino in Las Vegas. Suddenly, he was Masao Somebody, 68, the real estate speculator and art collecter. Vegas does that for people. Remember Howard Hughes?

Nangaku, like so many other superrich Japanese, started at the bottom, learned radio repair from a correspondence course and trade school, then came home for World War II and opened a radio repair shop in Saitama

Zaikai

Masao Nangaku

prefecture. He made it on hustle, opening earlier than the others and sending out door-to-door salesmen. He jumped into making TV sets in 1955 but, no fool, jumped out just as fast two years later, when the big boys moved in.

His big strike was—bowling. He stepped to the line in 1964 as the craze grew in Japan, ended up with 2,670 bowling alleys, the nation's biggest chain, and then shifted into hotels and other leisure businesses, as the craze faded. Soon he was an important property owner.

Today his Minami group—from Minami Musen (wireless), Denki (electric)—all his, has revenues of $300 million at current exchange rates. But, thanks largely to the fantastic valuations on Japanese real estate, his net worth is thought to be well over $1 billion.—**Hiroko Asami**

Robert Wallis/JB Pictures

Shigeru Kobayashi

SHIGERU KOBAYASHI

The Next Hot Thing

He was the second son of a furniture manufacturer rich enough to educate his children but old-fashioned enough to want them to learn the family business instead. So, after high school, Kobayashi went to work.

Returning from World War II (he is now 60) he wangled an "independence fund" and went out on his own to make his way in the world. First he set up a shipbuilding company that boomed during the Korean War but collapsed soon after, in 1955. In disposing of the factory site, he found the price of the land under it had shot up during Japan's postwar recovery. Shigeru Kobayashi had discovered real estate.

In the initial stages his Shuwa Group built "social buildings" in the Ginza: thin, tall buildings that typically house a photo or art gallery and a coffee shop on the ground floor and, above, a raffish collection of independent bars, restaurants, cabarets and the like, sometimes four to a floor. To attract tenants Kobayashi would open the first bar himself, sparing no expense and stocking it with charming B-girls. His buildings were soon full of eager renters.

Expensive condominiums were next. Shuwa's castlelike apartment houses roofed with blue tiling popped up in the high-class residential areas of Tokyo. But business for luxury apartments slumped after the Tokyo Olympic Games in 1964.

So Kobayashi turned to middle-class condominiums in which he would finance the buyers himself, a first in Japan. By 1971 Shuwa was the biggest Japanese seller of condos.

The 1973 oil shock knocked the bottom out of that. He had to sell back most of his land inventory to the former owners at big losses. Ever resourceful, he shifted to office buildings, now 90% of his business.

So far that boom has held. Kobayashi's 50 or so office buildings have total floor space of 440,000 square meters. Now he is shifting to investments in the U.S., where he had previously only dabbled. In 1986 he bought the Arco Plaza in Los Angeles for $620 million and ABC's New York City headquarters for $174 million. This year he bought the *U.S. News & World Report* headquarters in Washington for $80 million. In all, he has invested close to $2 billion in U.S. properties.

The reasoning is simple: He reckons on a 7.5% yield in the U.S. real estate business, compared with 2% in Japan, and can finance it at far below U.S. rates in Japan. Revenues from Kobayashi's U.S. properties have already surpassed those of his Japanese ones, even though the latter have a net value of at least $5.5 billion in the superheated Japanese real estate market.—**Hiroko Asami**

GENSHIRO KAWAMOTO

It Beats Selling Drapes

He took over the family drapery shop but, after five years of dedication to the business, recognized retailing meant more hard work and less profit than real estate. In 1972, seeing the real estate market saturated in his native Fukuoka area, he launched into the Tokyo market as Marugen K.K. and shut the drapery shop in the same year. From the first, Kawamoto consistently targeted the entertainment and shopping areas, where rents per square meter were among the highest, renting to owners of bars, restaurants, nightclubs and boutiques. Much of his business success lies in his unique approach: As Kobayashi did with condominium buyers, Kawamoto would finance prospective bar owners for his "social buildings" and boutique operators for his shops, lending an ambitious young hostess the money to set up in business and cover the traditional "key money," or advance payment (after her business potential was carefully investigated). Evidently a good judge of business risk, he now owns about 57 well-rented buildings in Tokyo's entertainment districts—Ginza, Akasaka and Roppongi—accommodating some 3,000 tenants. Those

Genshiro Kawamoto

properties plus around 3,000 square meters of commercial land are valued at an estimated Y148 billion, over $1 billion. Kawamoto, 55 and never married, lives in a huge four-story house (plus basement) in a high-class Tokyo residential area, on a lot of 500 square meters that is itself worth about Y5 billion, or about $35 million. He finds the time after work to indulge his fancy for Rolls-Royces and Mercedes-Benzes.—**Hiroko Asami**

RENICHI TAKENAKA

Old Line Construction Outfit

The Takenaka family has been in the construction business for almost 400 years. In the old days the family put up temples and shrines, and the likes of the Nagoya castle, one of Japan's most beautiful. They were leaders in learning and applying Western construction techniques. Now Takenaka Komuten, a construction and engineering firm, puts up landmarks like the Tokyo Tower and the National Theater, among much, much else.

Kyodo Press

Renichi Takenaka

Construction people everywhere like to keep things to themselves: They don't like to tell what it takes to win a contract, and they don't like to brag about profits, either. The Takenakas are no exception, closemouthed to the point of being secretive. The 14th president, Touemon Takenaka, was an industry leader, and in 1957 was named chairman of the construction industry association. But the 15th president, Renichi, now 76, and the current president, his son Toichi, 44, have concentrated on business and have kept the traditional low profile. Nevertheless, with a construction boom under way—company revenues were Y774 billion ($5.5 billion) last year—it is estimated that the family's equity is worth Y233 billion, or $1.5 billion, at the very least.—**Hiroko Asami**

TAKEO SHIGEMITSU

Return Of The Native

It's no secret that the Japanese dislike Koreans, and Koreans, who lived under Japan's rule for so long, have good reason to return the compliment. It's the rare man who can bridge such antagonism and be a success in both lands.

Shin Kyuk Ho, or Shigemitsu (his Japanese name) is that man.

Born Korean, he waited out the war years in a Japanese university, then built a fortune in his adopted land, building soap and chewing gum businesses he still dominates with a 60% market share. His Lotte group, also into chocolate, food, real estate and leasing, had total sales of Y152 billion ($1 billion) last year. Lotteria, his fast-food restaurant chain with almost 500 shops, is projected at Y61 billion sales this year.

But Shigemitsu figures that the Japanese miracle is tired and that double-digit growth in the future is to be found in his native Korea. Since the 1970s he has been shifting business to Korea—the latest balance sheet data, for 1984, showed his Korean group had net assets of 1 trillion Won, about $1.25 billion today, more than his Japanese assets.

It didn't hurt that an old friend, Yoo Chang-Soon, for a time chairman of Shigemitsu's Korean Lotte operation, is a former president of the Bank of Korea and became prime minister of Korea in 1982.

Kyodo Press

Takeo Shigemitsu

Shigemitsu, now 64, spends half the year in Seoul to administer the mammoth Lotte group in Korea, and half the year in Tokyo to administer the mammoth Lotte group in Japan. He owns a baseball team in each country and has Lotte Japan financing a $300 million—so far—shopping center in Seoul with hotel, department store, park and sport center.—**Hiroko Asami**

South Korea

CHUNG JU-YUNG

Like The Bull

If European wealth is usually second or third generation, Far Eastern wealth is often first generation. Chung Ju-yung is almost typical. When he was 14, farm boy Chung, too poor to afford the train, walked 300 miles to Seoul to seek his fortune—from errand boy to an auto repair shop called Hyundai to Hyundai Motors by way of the construction business.

After World War II Chung prospered doing auto repair work for the U.S. Army, which led to military contracts, including construction, during the Korean War. Chung so impressed the late President Syngman Rhee with his work restoring a major bridge that Rhee instructed officials to give many government contracts to Hyundai. Chung was aggressive, a bull, even violent, but he commanded respect wherever he went.

Under the Park regime in the 1960s, Hyundai really began to take off. Shipbuilding? Chung had no experience in it, but was it really so different from construction? He built a super-efficient operation that became the world's largest shipyard. Park rewarded him with ever more government contracts.

Chung Ju-yung

When shipbuilding slumped, Chung capitalized on the Middle East boom. Building the $930 million Jubail Industrial Harbor complex in Saudi Arabia established Hyundai's international reputation. Lately, attention has focused on Hyundai's worldwide success with its Excel subcompact car.

Chung may be the richest man in Korea, but his frugality is legendary, according to *Business Korea*. He still rises at 4 a.m., lives in a modest home—strategically situated near the presidential Blue House in Seoul—and eschews foreign luxuries, even banning coffee from company premises. Chung has tried to impose his rigid self-discipline on his 155,000 employees, for example, forcing them to save 30% to 40% of their salaries. He is always addressed as "chairman"—even by his wife.

Last year Chung announced that he would donate 90% of his fortune to his Asian foundation, set up in 1977 in response to government pressures to go public, a move he vigorously opposes. So far it looks as if Hyundai will remain a family affair, despite the government. Chung's family will still control the voting shares through the foundation. Insiders say that Chung's eldest son is being groomed to take over. Another favorite is his sixth son, Chung Moon-yong, president of one of Hyundai Group's flagship companies. Five other sons run subsidiaries. But Chung, 71 and in good health, has said he won't retire for another ten years.—**Diana Fong**

Chaebols' end?

Hyundai, Samsung, Daewoo, Lucky-Goldstar. These are the big four of South Korea, each a *chaebol*, or conglomerate, and each a huge, intricate network of companies founded and controlled by one entrepreneurial family. The founders of Hyundai and Samsung, the two largest *chaebols*, are probably billionaires.

In the U.S., Hyundai is known for its Excel subcompact, Samsung and the others mainly for consumer electronics. In Korea, however, the big four are known for power. Everywhere they dominate, from shipbuilding to computer chips to consumer goods. Their sales accounted for 5.3% of Korea's GNP in 1986.

The *chaebol*, modeled after the Japanese prewar diversified holding companies, *zaibatsu*, was seized on by a desperate Korean government after the Korean War to carry out a forced march into industrial development. With Korea in ruins and its existence constantly menaced by the Communist-ruled North, the Seoul government backed a handful of brilliant entrepreneurs and businessmen, protected their domestic markets and lavished easy loans and preferential taxation on them. There was a price: This preferential treatment made it almost impossible for smaller competitors to rise, thus concentrating economic power in a few hands.

This politically flawed decision produced fast economic results. Korea today has a dynamite economy. It also has social and political unrest. So the government is moving to break up the *chaebols*, the better to create a competitive and diversified domestic market. Witness the government's recent support of a strike against Hyundai, the biggest.

As politicians push to spread ownership around, the *chaebol* families struggle to hang on to what they can. The families are widely believed to own many other, still-private companies, as well as substantial shares of the listed companies directly or through cross investments. Korea's biggest tycoons lead publicly modest lifestyles: They admit to little and conceal much. Yet Hyundai's founder and Samsung's, by wide agreement Korea's richest men, are probably worth $1 billion each from business holdings, and reportedly own substantial real estate, art collections and the like.

LEE BYONG-CHULL

Like The Fox

They are a study in contrasts. Chung Ju-yung at Hyundai leaped to the daring gamble. Chairman Lee Byong-chull, Samsung founder, cautiously and meticulously pursued the big sure thing. Chung, the eldest son of a poor farmer, barely completed primary school. Lee, the youngest son of a wealthy landlord, attended Japan's prestigious Waseda University.

Between them they dominate much of the Korean economy.

In 1936 Lee started a rice mill with an inheritance, then expanded into trucking, real estate, brewing and noodlemaking during Japanese colonial rule. It was a pleasant life. For a time "I became a frequent patron of 'hostess' houses in the Taegu area," he once wrote. "I made pleasure-seeking tours of Seoul and Kyoto, seeking a more exotic environment and interesting girls."

But after World War II, ambition returned. Lee became an importer and fattened mightily during the Korean War. He escaped from the communist forces that overran Seoul and set up again in the Pusan perimeter. Wartime profits financed a domestic sugar monopoly, eliminating a costly national import. Within two years he was big rich by Korean standards. Sugar profits financed wool imports, then a domestic textile industry to replace cloth imports. By the late 1950s, favored by President Syngman Rhee, Samsung was acquiring other companies, including half of all commercial bank shares. Next came fertilizer production.

But under General Park's military government, Lee became the main target of the "illicit wealth accumulation investigation." Lee was placed under house arrest, and Park "suggested" Lee should "donate" Samsung stock to the government in expiation. Lee talked him into taking a fertilizer plant instead. Soon another scandal erupted: Lee's staff, including one of his sons, had illegally profiteered by smuggling from Japan. That had to be settled, too.

But a man who prospered, first under Japanese colonialism, later under different nationalist regimes, learns how to manage these problems. Samsung *chaebol* rapidly expanded in the 1960s into insurance, department stores, paper mills and mass media. In the early 1970s Samsung moved into consumer electronics (it is now Korea's leader in that field); in the mid-1970s into petrochemicals and heavy industry; in the 1980s into semiconductors, aerospace and genetic engineering.

Lee, still active in management, puts the employees through Japanese-style training programs. Now 77 and recovered from a bout with cancer, he spends much time on the golf course. The present government wants to break up Samsung, but Lee isn't all that worried: He has survived worse. He is preparing third son Lee Kun-hee as the most qualified to manage the $17 billion (1985 revenues) group he created.—**Diana Fong**

Lee Byong-chull

Taiwan

Ed Kashi

Y.C. Wang

Y.C. WANG

Some Risk

Du Pont and B.F. Goodrich couldn't make money on the stuff, but Y.C. Wang, Taiwan's 70-year-old leading industrialist, has made a billion-dollar fortune in polyvinyl chloride (PVC), a plastic polymer used for everything from pipe fittings to vinyl footwear. Since acquiring the technology to produce PVC from the Japanese for $1.2 million in 1954, Wang's Formosa Plastics Group has grown into a network of integrated companies that generated $4 billion in sales and $379 million in pretax profits last year. The group's three listed companies have a combined market value of $5.7 billion, with the Wang family's stake worth roughly $2.3 billion. In addition, Y.C. and his family have extensive Taiwan landholdings.

For the son of a poor tea merchant who couldn't afford a pair of shoes, Wang's frugality and Confucian work ethic have paid off. Wang tells the story of how he once beat out a Japanese competitor. "[He] closed his mill at 6:00 and rested comfortably in a warm bath. I worked until 10:30 and took a cold shower in the open air, winter or summer. My business volume and profit finally surpassed my neighbor's. Once one relaxes, he will be left behind." Son Winston now manages a division and has a Ph.D. in chemical engineering from Britain. Y.C.'s younger brother, Y.T., and William, Y.T.'s son, are also managers in his company.

While his U.S. competitors are fighting losses in PVC, Wang is expanding in the U.S., where he already owns 14 plants and a mansion in Short Hills, N.J. Wang bought in at low prices in the early 1980s and turned around moneylosing operations, such as Stauffer Chemical, by getting rid of the overhead, high wages and overstaffing typical of big business, and running the plants like small businesses.

Wang's is a highly integrated business. Formosa Plastics Corp. produces

PVC raw material and other petrochemicals, Nan Ya processes the resin, and Formosa Chemicals & Fiber makes fibers for backing PVC "leather." Most recently Wang injected $1 billion into a project that will give Formosa Plastics its own naphtha cracker to produce a key ingredient in PVC. Beloved Wang is not, but as a manager of people and of resources he stands high.—**Diana Fong**

CHANG YUNG-FA

Round-The-World Outsider

The world's largest owner and operator of container ships is virtually unknown even in his native Taiwan, little known even by the shipping industry's secretive standards. Yet Chang might well be the greatest sea lord of the 1980s. He is a gambler who took enormous risks to achieve tremendous gains during the industry's spectacular bust. In 1983 he shocked the industry by buying 24 container ships when his competitors were scrapping them, and launched Evergreen's round-the-world service, the first of its kind. Today Evergreen offers both eastbound and westbound service, linking major container routes across the continents. The Evergreen Group earned $58 million on $1.4 billion in revenues last year. A company within the group is expected to go public quite soon on Taiwan's booming stock exchange.

Ed Kashi

Chang Yung-fa

Chang, 60, is an outsider by choice. When he entered the container shipping business in 1975, he undercut his competitors' cozy, regulated cartel by slashing rates and offering equal service. Chang, who once described the cartel founders as "a bunch of pirates," explained to FORBES that "as an outsider, we're free to do whatever we want. We can move quickly to tailor service to customers' needs." And his line, a fleet of modern, automated ships manned by nonunion, low-paid Chinese crews, has earned a reputation for reliability and service.

"I know almost everything about the shipping business," says Chang. Born in the Taiwanese port city of Keelung, Chang has spent most of his life in shipping, working his way up from seaman to captain in the Japan-Taiwan trade. In 1968 he started Evergreen with a secondhand vessel acquired with backing from Marubeni Corp., the huge Japanese trading company. Chang is a Japanophile who speaks the language and enjoys watching old samurai movies. He runs Evergreen in the disciplined and regimented Japanese style. Company uniforms are green, as are the carpets, telephones and even toilet stalls at Evergreen's Taipei headquarters. Yet Chang is Chinese—much the autocratic family patriarch—with sons positioned to take over when he retires. Chang, who quit smoking, stopped drinking and became a vegetarian recently, is clearly still not ready to go, however.

TSAI WAN-LIN

How To Save Face

In the 1950s Tsai Wan-chun popularized savings accounts in Taiwan by establishing the minimum deposit of only one Taiwanese dollar (currently 3 cents)—an amount most banks scorned to handle. In typical Chinese fashion, he appointed his younger brothers and sons executives in his soon burgeoning Cathay group, which expanded from banking into insurance, construction, hotels and food.

The group split up in the late Seventies, after Wan-chun had a stroke and could no longer hold his feuding family factions together. The two sides are not on speaking terms, and it's easy to see why.

One side coalesced around Wan-chun's son, Chen-chou. Alas for them, two years ago the son was sentenced to prison for issuing millions of dollars in bad checks, among other counts of fraud, and making $177 million in improper loans that led to a classic run on and collapse of Tenth Credit Cooperative, Taiwan's largest savings and loan institution. Chen-chou disappeared, is supposedly dead from liver cancer, but is widely believed to have slipped out of Taiwan for parts unknown.

The more respectable side centers on one of Wan-chun's brothers, Tsai Wan-lin, who now runs the most profitable sector of the Cathay group—life insurance and construction. Wan-lin, who keeps a low profile, did everything possible to distance himself from the banking scandal that disgraced the family name. He took out a newspaper ad disclaiming any business ties with his errant nephew and refused to settle Chen-chou's debts. Wan-lin even went out of his way to pay off his own debts, unasked, in his highly leveraged construction business, a move that deeply impressed Taiwanese badly rattled by the failure of his relatives' bank.

Wan-lin has succeeded in building up his reputation for integrity and solid management skills. Cathay Life greatly outperformed most other companies on Taiwan's booming stock exchange this year—doubling in August and making the Tsai Wan-lin family's estimated 80% worth $3.7 billion on paper, up from $1.8 billion in July.—**Diana Fong**

Hong Kong

KADOORIE FAMILY

Old China Hands

Lord Lawrence Kadoorie, the 88-year-old chairman of China Light & Power, keeps a ragged Humpty Dumpty doll in his office as a symbol of the troubles that have sometimes befallen the Kadoories since father Eleazar, an Iraqi Jew, migrated east in the 19th century. Of course, there is nothing ragged about the tremendously wealthy Kadoories, but the doll serves as a reminder that even the mighty can fall. An established merchant family in Shanghai and Hong Kong decades before World War II, the Kadoories were imprisoned by the Japanese during the war. When the war ended, they rebuilt their businesses, and, if the story is true, made a legendary mistake: It is said that after

Frank Fischbeck/The Stock House

Lord Lawrence Kadoorie

South China Morning Post

Horace Kadoorie

Reuters/Bettmann Newsphotos

Michael Kadoorie

the Japanese surrender, the present Lord Kadoorie saved a Japanese soldier from a Chinese firing squad. Two years later that soldier offered Lord Lawrence a 50% stake in his startup company for £25,000 in venture capital. Lord Lawrence politely declined. The soldier was Akio Morita of Sony.

According to Crosby securities, the Hong Kong-based Kadoories—Lord Lawrence, brother Horace (85), son Michael (46) and son-in-law R.J. McAulay—preside over a $3.3 billion utilities empire, a major hotel group, carpetmaking and textile businesses and a cross-harbor tunnel company in Hong Kong.

Their flagship company is China Light & Power, but their most visible presence is Hong Kong's stately Peninsula Hotel, a landmark for 60 years.

As British rule wanes in Hong Kong, the Kadoories face increased challenges from the Chinese. Earlier this year Michael Kadoorie, chairman of the hotel group, narrowly escaped being thrown off the board by an outsider, Joseph Lau, who had built his stake to just under 35%. The board rallied to Michael, and the hotel is safely in Kadoorie hands again.

Lord Kadoorie's big project right now is China Light & Power's joint venture with the Chinese Communist government to build a $3.7 billion nuclear power station at Daya Bay, near Hong Kong. The project reflects Lord Kadoorie's commitment to the future of Hong Kong under Chinese sovereignty after 1997. Isn't it risky dealing with the Communist government? The family built its fortune on taking risks—and surviving troubles. That's what Humpty Dumpty stands for.—**Diana Fong**

SIR YUE-KONG PAO

The Future Is China

I'm a banker. The speculators always expect the best to happen. The banker, he always plans for the worst," says Sir Y.K. Pao, Hong Kong's best-known personality, the billionaire sea lord who hobnobs with Margaret Thatcher and talks privately with Deng Xiao-ping. He controls a $2 billion property empire with interests in hotels, public transport, retailing and trading that account for 7% of Hong Kong's stock market capital, according to James Capel (Far East) Ltd. But banker or speculator, he's still on top at 69, and investing in what he thinks is the future, this time, China.

Sir Y.K. was the second son of a Shanghai banker. He fled to Hong Kong in 1948 just before the Communist victory but apparently did business with the mainland Chinese, even when the U.N. imposed a trade embargo during the Korean War. He bought his first vessel in 1955, and his specialty was the long-term lease of oil and bulk tankers, which brought in slow but steady profits.

He chopped down his fleet during the 1970s shakeout, but shipping still accounts for a substantial part of his private holdings. Now he's even buying tankers again, at super-low prices from Korean shipyards.

Along the way, he was knighted by the Queen in 1978, and has been capitalizing on the trend to shift ownership from British hongs, or trading companies, to Chinese entrepreneurs. His Wharf Holdings Group took over Wheelock Marden, for example, an old-line British trading house, in 1985. Even his 37% stake in Dragonair, an upstart private airline, is a challenge to British-controlled Cathay Pacific *(see Swire)*. Recently Sir Y.K. was one of the three "white knights" to rescue Britain's Standard Chartered banking group from a hostile takeover bid by Lloyds Bank.

He has resigned as chairman of

Viviane Moos

Sir Yue-Kong Pao

Wharf Holdings and of World International, the investment holding company that controls all his listed companies, in favor of two highly competent sons-in-law—Peter Woo, who presides over the public companies, and Austrian-born Helmut Sohmen, who looks after the private shipping and aviation interests.

Still, Sir Y.K., who keeps fit by swimming daily, is very much in charge, but he seems to be spending more time on developing relations with China. He has donated millions of dollars to building schools and hospitals back in his native Ningbo. A little fertilizer today helps tomorrow's harvest.—**Diana Fong**

LI KA-SHING

Balancing Act

Yet another Far Eastern Horatio Alger: Li Ka-shing, 59, may be Hong Kong's wealthiest and most respected tycoon. No money, little formal education, a refugee from the mainland, he was a toy salesman and then owner of a plastics factory. Li made a modest fortune in plastic flowers in the 1950s that he parlayed into property development just when Hong Kong's economy boomed spectacularly. In 1972 Li's flagship company, Cheung Kong, which held his property interests, became public.

When the world oil crisis broke the Hong Kong stock market in 1973, Li was able to buy property cheap—the Hong Kong Hilton, for example. And Hutchison Whampoa, one of the old British trading companies, where he installed himself as its first Chinese chairman.

Li's five listed companies—Hutchison, HK Electric, Cavendish and Green Island Cement, all ultimately controlled by Cheung Kong—account for 20% of the Hang Seng index market capitalization. His 34% stake in Cheung Kong, plus small direct stakes in the other listed companies, totals roughly $1.2 billion.

Though Li keeps a low profile, his near-control of the stock market keeps him in the news. As did his companies' recent acquisition of Canada's Husky Oil, interpreted as a no-confidence vote in Hong Kong, even though Li loudly assured local investors that only 10% of his business interests are outside the colony. The public was not convinced.

For example, Li owns the $67 million Toronto Hilton and reportedly has a 9% stake in the Canadian Imperial Bank of Commerce valued at over $230 million. His son, Victor, a Canadian citizen, owns 9% of recently turned private Husky, a stake that had a market value of $64 million. And Li owns $16 million worth of Kaiser Aluminum, now called KaiserTech.

Poor Li Ka-shing! He must perform a delicate balancing act: not offend Beijing while he reduces his personal risk when Hong Kong reverts to China in 1997. He is involved in a joint venture with the Chinese Communist government to build a coal-fueled power station near Shanghai. Maybe for this the folks in Beijing will indulge him a billion or two in North America.—**Diana Fong**

Lincoln Potter/The Stock House

Li Ka-shing

KWOK TAK-SENG

Roofs For Refugees, Roofs For Their Jobs

He is perhaps one of the most traditional Chinese property tycoons in Hong Kong: quiet, cautious, apolitical, hardworking, frugal—the classic Confucian virtues. Though he was born in Macao, the Portuguese colony notorious for its gambling casinos, Kwok Tak-seng, 76, identifies more with his family's humble roots in the small Cantonese village where Sun Yat-sen, the founder of modern China, was born.

Unlike other Chinese billionaires, Kwok has few ties to China, except for a donation to build the Sun Yat-sen memorial in Guangzhou. Instead, he has committed his Sun Hung Kai Properties Group exclusively to Hong Kong. Recently Kwok has been trying to reverse the group's image as a developer of low-income housing by acquiring prestige commercial and residential sites. Yet his fortune was made by understanding the needs of the working class—from which he sprang.

Kwok Tak-seng

Kwok never learned English or even Mandarin Chinese. He speaks only Cantonese. Escaping to Hong Kong in the 1940s, he rose to be the exclusive agent for Japan's YKK zippers. When thousands of refugees poured in from China, Kwok recognized the pressing need for inexpensive housing and for textile factories to employ them. In the early 1960s Kwok and two friends, Fung King-hey and Lee Shau-kee, founded Sun Hung Kai Enterprise Co. Ltd. The partnership dissolved in the

early Seventies, though the three remained close friends. Kwok kept the well-known name Sun Hung Kai and created a vertically integrated property conglomerate, from construction to real estate management. His group diversified into insurance, financial services, restaurants and cinemas.

In traditional Chinese style, Kwok's three sons, Walter, Thomas and Raymond—all in their 30s and educated in England—are managers in the family business. Kwok is still in charge, though his weak heart is slowing him down. He has a home in Hong Kong's fashionable Repulse Bay but lives modestly, despite his family's 43% of Sun Hung Kai Properties, worth $1.1 billion (not including preference shares) and his commercial property in San Francisco, valued at $115 million.—**Diana Fong**

LEE SHAU-KEE

Excuse His Dust

There's a Chinese saying that partly explains property magnate Lee Shau-kee's success: "Speedy first, then slow and smooth." While other property developers are conducting detailed feasibility studies on the profitability of a land site, Lee, the 59-year-old chairman of Henderson Land, has already made a snap decision on whether or not to buy it. Does that make him a rash gambler? Not at all. It's simply that he has done his homework better than competitors have. "He's good at identifying opportunities and making quick decisions because he knows Hong Kong so well," explains Henderson director Colin Lam.

Lee started out in the 1950s, buying plots of cheap land that other investors dismissed. Consolidated and developed, they reaped enormous profits when land values took off in the 1960s. Meanwhile he became the youngest partner of a clannish Cantonese triumvirate that included Kwok Tak-seng of Sun Hung Kai Properties *(see Kwok)* and Fung King-hey, a financier whose property empire teetered before he died in 1985.

South China Morning Post

Lee Shau-kee

Though the partnership dissolved in the early 1970s, Lee and Kwok remain close friends. But Lee is less traditionally Chinese than Kwok. He tends to rely more on outside management than on family members and is more visibly active in the community. Like most other Asian billionaires, Lee works hard. But he also reserves time for golf and skiing. And he lives modestly, in spite of his family's combined 70% stake in Henderson and 26% of Hong Kong & China Gas, worth $1.1 billion.—**Diana Fong**

CHENG YU-TUNG

Very Large Child

First he married the boss' daughter, then he turned his father-in-law's small Macao gold shop into one of Hong Kong's largest diamond trading and jewelry retailing businesses. The firm now generates $1.4 billion in annual sales.

"Women love jewels," Cheng Yu-tung told Anita Leung of the Hong Kong Stock Exchange, "so as long as women continue to live on this planet, business will keep coming." Women also need places to live, and Cheng invested in small-scale lower-income residential housing. Now he is a big developer.

When Cheng, 61, develops property now, he does it in a big way—projects like the prestigious New World Centre, a complex on the Kowloon waterfront he built in the 1970s that is comparable to the entire floor space of the Empire State Building and contains the crown jewel of his empire, the world-class Regent Hotel. The Centre has great personal importance to him: It put him into Hong Kong's big time, according to Baring Securities. The complex, which was designed by an American architect, transformed a remote, undeveloped site into one of Hong Kong's most expensive residential and commercial districts for Cheng's New World Development Co. That and other holdings make him a billionaire.

Now he's developing another waterfront project in the former red-light Wanchai district, turning the world of Suzie Wong into a $408 million financial and tourist hub featuring Hong Kong's largest convention center.

What happens after 1997 when the Beijing government is slated to take over Hong Kong? Cheng says he is "absolutely bullish" on the future and he is investing in Hong Kong to prove it. But he already has a personal investment in Vancouver's Holiday Inn and probably will buy more in North America.—**Diana Fong**

Singapore

LEE FAMILY

The Bank

The Bank" is how Singapore's Oversea-Chinese Banking Corp. is known in Southeast Asia, and it has a stock market value that exceeds Bank of America's. But the family that controls OCBC is just as well known for being the world's biggest rubber trader. And as Southeast Asia's most generous philanthropists: When he died in 1967, Lee Kong-chian, Singapore's "rubber and pineapple king," used his wealth and power to further charitable and civic causes. "He set up a foundation since he didn't want his children to become excessively rich," says a close associate of the family. "He remembered his own humble beginnings."

This poor immigrant from China started as a rubber trader. He later ran a small local bank in Singapore and

Kyodo Press

Lee Kong-chian

merged it with two other banks to form OCBC in 1932. In the Depression he bought thousands of acres of rubber estates and vacant land at rock-bottom prices—with backing from Hongkong & Shanghai Bank. Throughout, Lee used his growing wealth in ways that gained popularity as well as power—for example, helping employees buy their own homes.

During the Japanese occupation of Singapore, Lee represented two rubber associations in Washington, D.C. and lectured on Southeast Asia at Columbia University, while raising funds for war relief back home.

Returning after the war, Lee bought huge quantities of rubber when prices tumbled to a few cents. Then when prices took off during the Korean War, he sold his supply at enormous profit to the U.S.

Today, besides banking, Lee's OCBC group has investments in virtually every sector of the regional Southeast Asian economy and owns shares in every blue chip on the Singapore and Malaysian exchanges.

Lee Seng-wee, Lee's youngest son, is a director of OCBC, while other sons run the private trading businesses. The family owns 30% of "The Bank," worth roughly $750 million. Their private interests account for at least $500 million.—**Diana Fong**

Indonesia

LIEM SIOE LIONG

Uncertain Future

Known commonly in Indonesia as Liem Botak (Liem the Bald), he is quiet, unobtrusive, speaks almost no English, and his broken Indonesian is accented heavily in Chinese. Yet Liem is a business tycoon in his adopted Indonesia. At 71, he reportedly controls over 40 companies domestically and a dozen abroad, in 60 types of businesses ranging from flour to steel to international finance.

From peasant roots in southern China, Liem came to central Java at 20 to work with his brother and uncle in the peanut oil trade. He began trading cloves, supplying the large *kretek* (clove-laced cigarette) industry in Java. But Liem's big coup was in backing the right side when Indonesians rebelled against Dutch rule after World War II. He helped supply the rebels, and developed close ties with

Paul Handley

Liem Sioe Liong

an ambitious young lieutenant colonel named Suharto. By the time Suharto came to power in 1965, he and Liem were already business partners. In 1968 Suharto granted one of Liem's companies a monopoly for importing cloves. Monopolies in flour and cement, as well as open credit lines from state banks, soon followed.

Being Chinese, Liem is not beloved in Indonesia. Less than 3% of Indonesia's 170 million people are Chinese, but these industrious people control 70% of the private domestic capital. This helps explain Liem's low profile, modest lifestyle and adoption of the Islamic name Sudono Salim (Indonesia is 90% Muslim).

Not surprisingly, Liem is moving assets abroad. In 1982, for example, he bought San Francisco's Hibernia Bank for $70 million, then sold it to Hong Kong-based First Pacific Group, also controlled by Liem investors, for $100 million. (The bank is once again for sale.) The Liem group is composed of Liem's sons, members of the Suharto family and their close associates.

A fair estimate of Liem's net worth: $2 billion.

Australia

KERRY PACKER

Richest Australian

Now that Rupert Murdoch is a U.S. citizen, the wealthiest Australian apparently is another media mogul, 49-year-old Kerry Packer. His father, the late Sir Frank Packer, helped start the Sydney *Daily Telegraph*, founded the popular magazine *Australian Women's Weekly* and participated in a Fijian gold mine. His publicly traded Consolidated Press Holdings set up the country's first commercial TV station in Sydney in the early Fifties and built a network from it.

Packer's older son, Clyde, was running Consolidated's TV stations by the mid-Sixties but became fed up with his father's interference. Clyde dabbled in politics, eventually sold his shares and, now living in Santa Barbara, Calif., he publishes *Surfing* and a few other small magazines.

This left the younger, largely untried Kerry when Sir Frank died in 1974, at age 68. Kerry, at 6 foot 4 and 240 pounds, is very much in the mold of his father. He is married, has two children, but is boisterous, hard-living and one of the country's biggest bettors at the track (where he's apparently a big winner). In 1983 he took the lucrative empire private in an incredibly cheap $200 million leveraged buyout. Two years later he sold off its suburban newspapers. He began to invest in takeover targets.

Packer's greatest coup so far was his January 1987 sale of Consolidated's television business to Bond Corp., the vehicle for Alan Bond, a lesser Australian magnate. Packer got $750 million. But there is plenty left: some 50 magazine titles, 34% of Muswellbrook Energy & Minerals, extensive cattle ranch holdings and a separate TV station in Darwin serving Australia's Northern Territory. Altogether, even allowing for debt, he's worth more than $1 billion (U.S.).

Like Rupert Murdoch, Robert Holmes à Court and other wealthy Australians, Packer is finding Australia's relatively small economy confining. Like them, he is investing abroad. In December he paid an estimated $300 million for privately held Valassis Inserts, the U.S.' largest independent publisher of newspaper inserts.

Kerry Packer

In May he bought control of *California*, a monthly magazine.

Kerry Packer also has assorted interests in Europe, in chemicals, aviation and ship chandling, and a 13% position in London's Hill Samuel, a merchant bank that was a recent takeover candidate.—**Thomas Jaffe**

ROBERT HOLMES À COURT

Welcome To The Club

Unlike countryman Packer, Robert Holmes à Court is totally self-made. He became Australia's other visible billionaire within the past few months—thanks to Australia's surging stock market. Born in Johannesburg, schooled in South Africa and New Zealand, Holmes à Court immigrated to Australia to study law and, at 50, has risen to be his country's foremost corporate raider.

As a lawyer he represented small-time entrepreneurs and decided he could become one himself. In the early 1970s he took over a woolen company, and he was on his way. From there, an electrical company, a plumbing business and an auto dealership followed. Then a whole series of bids, including many failures, but eventually enough successes to put under a single large umbrella—he called it Bell Group Ltd.—and become a big-time threat.

Through $700 million (sales) Bell Group, Holmes à Court now has a history of putting companies in play, only to be bought out by higher bidders or the companies themselves. He meanwhile piously objects to being called a greenmailer.

On the other hand, he steadily bought, year after year, into Australia's giant natural resources combine, Broken Hill Proprietary. With 28%, he has finally gotten onto its board. And he owns about 15% of Britain's Standard Chartered Bank, of which he is also a director.

AGP/World Press Network 1987

Robert Holmes à Court

Holmes à Court first got his feet wet in the U.S. in 1985, with a position in Asarco, which paid him greenmail. Last year he bought into USX, and this year, 10% in troubled Texaco. The targets get bigger and bigger.

Holmes à Court is famous for his wry sense of humor, and he loves chess, which he is known to play at the office against a computer. He collects antique cars, Australian landscapes and aborigine art as well as European 19th-century painting and sculpture. He is married and has four children. He has two horse farms with over 120 brood mares and has already bred the winners of major stakes races in Australia.

He owns several homes in Australia and a 29-room mansion in London. New York? Not yet, but hopeful real estate agents might put him on their future prospects list.—**Thomas Jaffe**

India

BIRLA FAMILY

Masters Of The License Raj

When her colonial rulers left 40 years ago, India's British Raj was replaced by the License Raj—a maze of government decrees, directives and regulations. The system spawned corruption as bureaucrats and cabinet officials demanded hefty bribes to approve permits. India nevertheless became the world's eighth-largest industrial power—entrepreneurial resourcefulness triumphing over socialist corruption.

No entrepreneurial group has been more successful than the Marwaris, a small, closely knit community originally from the western Indian state of Rajasthan. The most prominent have been the Birlas. Their founding patriarch, G.D. Birla, made his first million in textiles by the age of 30. He turned down a knighthood because of his friendship with Mahatma Gandhi, and heavily supported the nationalist campaign to oust the British. The nationalists who later became free India's power elite rewarded the Birla family with lucrative contracts.

After independence, the Birlas continued their lavish contributions to the ruling Congress Party. So accomplished are they in manipulating the bureaucracy, and so vast their network of intelligence, that they frequently obtain preemptive licenses, enabling them to lock up exclusive rights for businesses as yet unborn.

But connections are not the only Birla asset: The family runs an efficient show. "There are no pretentions to corporate democracy in Birla companies," says economist-editor Dilip Thakore. "The boss is a godlike figure. The Birlas value loyalty and high performance and they generously reward their best performers." More than 100 of their top managers—most of whom come from outside the Birla family—have become millionaires in their own right. Says Mohan Shah, a prominent New York-based textile importer: "The Birlas have shown that their indigenous, non-Harvard-Business-School management style works in their homeland and even abroad."

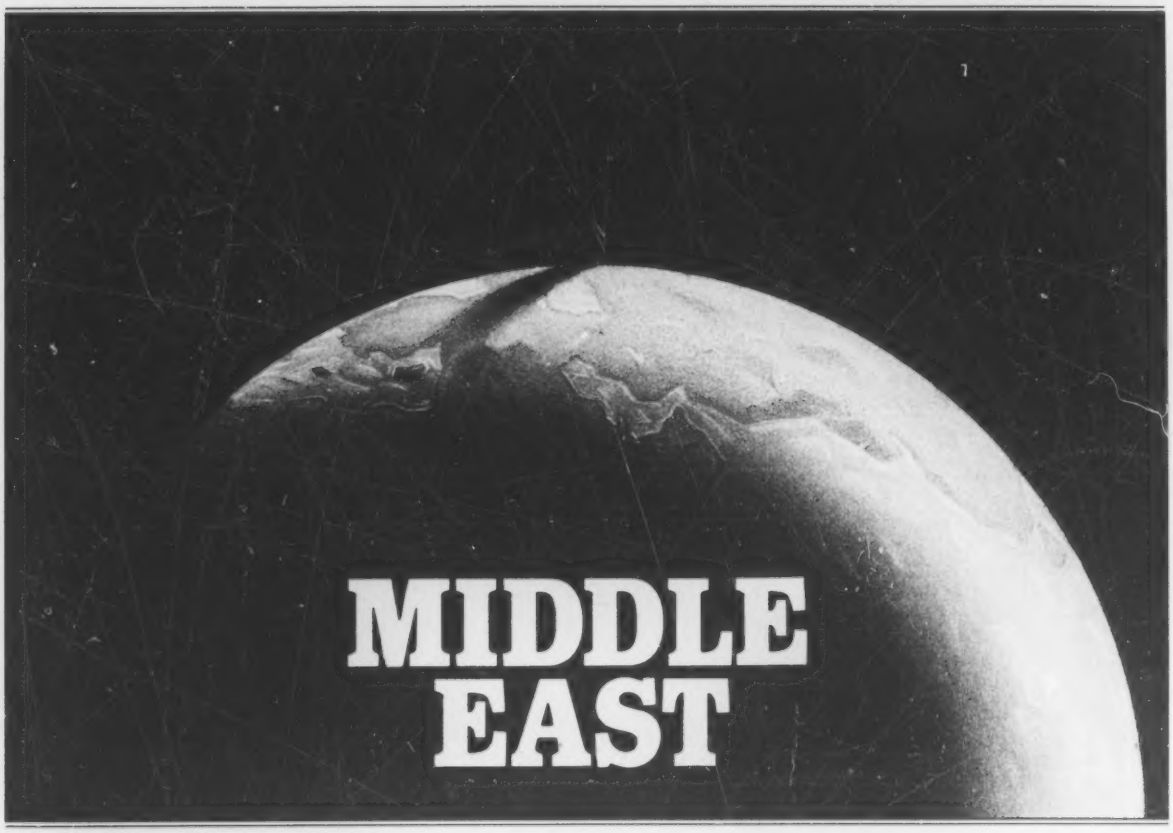
Today, according to Indian government figures, the Birlas' net assets in India itself exceed $4 billion—but that figure may be way low. There are 200-plus Birla-run companies and in each the Birlas traditionally own between 25% and 45% of the shares.

There are five major interlocking Birla branches today: Bombay-based Aditya Birla, G.D.'s grandson and heir, heads the most powerful group, which includes Hindustan Aluminum; Calcutta-based G.P. Birla runs Hindustan Motors, which has long enjoyed a near-monopoly in Indian automobile manufacturing; K.K. Birla owns the prestigious *Hindustan Times* in New Delhi; S.K. Birla recently bought Chloride India; Ashok Birla, also Bombay-based, owns steel mills in India, and textile and papermaking enterprises in Thailand, Indonesia, Nigeria and East Africa.

The Birlas' growing foreign assets are said to total nearly $1 billion.

Like most Marwaris and unlike many Indian industrialists, the Birlas do not lead flamboyant lives. They are strong on family values, are often abstemious, and rarely marry outside the Marwari community. They spend millions of dollars each year on building Hindu temples, often ones where the presiding deity is Lakshmi, the goddess of wealth.

While the various branches of the family operate somewhat independently of one another, the intercorporate ties remain close. Combined, FORBES estimates that their net wealth is somewhere between $1 billion and $2 billion—probably closer to $2 billion. —**Pranay Gupte**



Saudi Arabia

SULIMAN SALEH OLAYAN

Disclosure As Lure

He's been called one of the world's best businessmen: Much of this billionaire's net worth is attributable to shrewd investments outside his native Saudi Arabia. The grubstake that became the Olayan Group he got through oil and hard work—and he knew what to do with the results.

He was born in 1918 in the isolated Saudi city of Onaizah (small goat in Arabic). His father, a small-time spice merchant and food importer, died when Olayan was 4, so he grew up with relatives in relatively prosperous Bahrain. At 17 he quit school to work in the fledgling oil industry, eventually ending up with the forerunner of Aramco. He started at the bottom—oil gauger, dispatcher, floorman—and worked up to purchasing agent. In the process he learned English and exhibited a legendary memory. In 1947 he borrowed $4,000 to organize a company that won a contract for part of Aramco's first major trans-Arabia oil pipeline. Bigger contracts followed.

He quickly diversified into other key areas. A joint venture construction company with Bechtel. Then Arabian Commercial Enterprises, eventually one of the biggest insurance companies in the Arab world. And General Trading Co., now the country's largest food importer. Because he lacked a large family to staff key positions, he was forced to hire professional managers, which worked to his advantage. When the price of oil skyrocketed in 1973, Olayan's enterprises were ready to clean up.

Today Olayan invests heavily under the umbrella of the Olayan Investments Company Establishment, a Liechtenstein-registered company based in Athens. An early fancy was banking. He is a majority owner of the Saudi British Bank, a stake worth an estimated $120 million. He is said to own more than 1% of Chase Manhattan ($34 million), the largest holding outside the Rockefeller family, and 1% of J.P. Morgan & Co. ($100 million). He and a Saudi prince share a 7.6% holding, worth more than $130 million, in First Chicago Corp.

Robert Azzi/Woodfin Camp

Suliman Saleh Olayan

His investments go beyond banking. A reported 1 million Mobil shares ($48 million—he once sat on the board). More than 5% of Transamerica Corp., about $170 million. Reportedly 3% of Occidental Petroleum, more than $200 million. A $20 million stake in Thermo Electron Corp.

"I like the American stock market," he says, "because there is a wonderful amount of information here. For someone who wants to research and look for situations, the disclosure is excellent."—**William P. Barrett**

AL RAJHI FAMILY

The Money Changers

Money changing and what we might call nonbank banking have made the Al Rajhi family perhaps Saudi Arabia's richest clan outside the House of Saud. In the central

Saudi town of Bukariyah, the Al Rajhis were once merely money changers—an ancient profession in traditionally bankless Arabia. They might arbitrage the sometimes substantial difference in gold and silver prices between, say, Jidda and Riyadh.

But the oil boom created new opportunities. Foreign workers needed a safe way to remit money abroad. Foreign contractors had to convert riyals into dollars or pounds or francs. Saudi merchants wanted to deposit their burgeoning receipts when they closed their shops at night. The money changers, who charged fees on most of the money they held and handled, rather than paying interest, were there to fill the need.

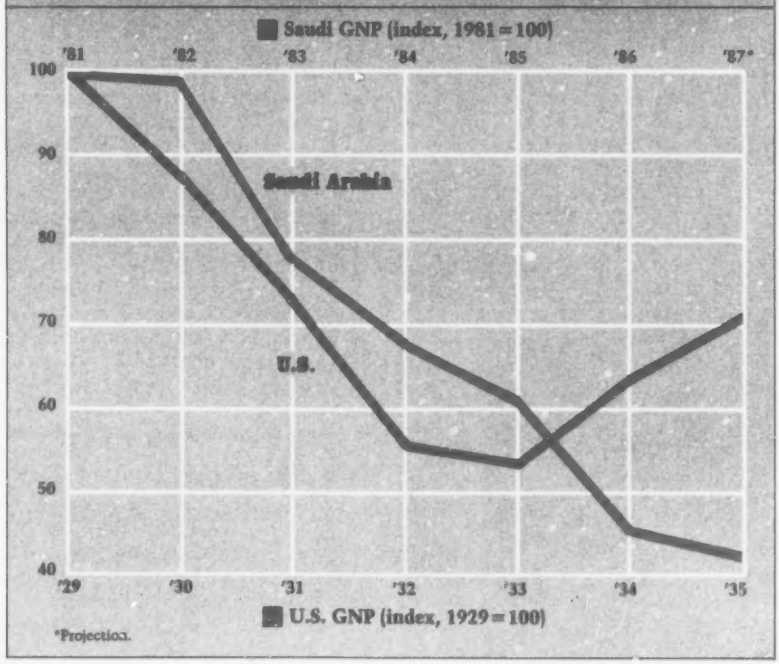
The largest of the kingdom's two dozen or so money changers, the Al Rajhis skillfully invested overseas—often at double-digit returns—their huge float, which during the good times of the late 1970s and early 1980s often exceeded $4 billion. In a country with no income tax, it's easy to see how all this might create a bit of wealth. Unlike some flamboyant and better-known countrymen, the Al Rajhis live austere lives dictated by superstrict religious observance. So it's easy to see how they might hold on to it, too.

The clan leader is Suliman Abdel-Aziz Al Rajhi, about 58. No known photograph of him exists, reportedly because of his modest nature and a fear of kidnapping. He and three brothers—Salih, Abdullah and Mohammad, with more than 100 children among them—dominate the family's diverse operations. With sizable investments in shipping, real estate and international merchant banking, the four brothers alone—never mind their numerous relatives—are estimated by Arab bankers to be worth well over $2 billion.

The brothers apparently have largely disavowed one of Salih's sons, Abdullah Salih Al Rajhi, who went into precious metals speculation and collapsed spectacularly in 1981, owing $300 million. Only then did foreign banks learn to their distress that the family fortune did not stand behind Abdullah and that not all Al Rajhis are created alike.—**William P. Barrett**

A tough place to keep your first billion

Saudi Arabia's gross domestic product has now fallen further and longer from its peak in 1981 than the U.S.' did in the Great Depression of 1929-32. The oil Arabs are still pretty rich, but there probably would have been a lot more Persian Gulf billionaires in this survey five years ago.



BIN MAHFOUZ FAMILY

What Every Kingdom Needs

Banking was a dirty word in strictly observant Arabia, where the Koran—as Europe's Catholic Church had once done—prohibited the charging of interest on loans.

Summoning up his nerve, Salim Ahmed Bin Mahfouz, a money-changer from Jidda, went to King Abdul-Aziz Ibn Saud in the early 1950s and asked for permission to become a banker. "The kingdom will not be fully independent until we are independent economically," Bin Mahfouz told the aging monarch. To everybody's surprise, Ibn Saud agreed and told his finance minister to issue the necessary permits.

Salim Ahmed Bin Mahfouz

What resulted was the National Commercial Bank, 52% owned by Bin Mahfouz and 48% by his money-changing partners, the Kaki family. Astute management and an OPEC decade of generating $150-million-a-year profits have left NCB the kingdom's biggest bank by far (assets, $12 billion, double the size of its nearest Saudi rival). It is certainly one of the largest banks in the world owned by a partnership, today run by Khalid Bin Salim Bin Mahfouz, about 42, son of the bank's founder.

The NCB has formed the basis for the estimated $1 billion Bin Mahfouz family fortune. Besides their stake in the NCB and real estate holdings in Saudi Arabia, the Bin Mahfouzes have a reported 30% of the Bank of Credit and Commerce International, a Netherlands Antilles-based bank holding company with interests in the U.S. and Europe and 1986 profits of more than $100 million. Khalid last year invested $10 million to start Eastbrook, a New York investment bank,

according to David Mizrahi, editor of *MidEast Report*, and the family has paid $25 million for an 80% interest in Langdon P. Cook, a New York bond house, and made land purchases in Florida. They are thought to have outdistanced their old friends, the Kakis, who besides money-changing activities have invested their 48% of NCB's profits within the kingdom, including a company selling a drink called Kaki Cola.—**William P. Barrett**

JUFFALI FAMILY

The Royal Coolers

In 1946 Ahmad Abdullah Juffali and his brothers Ebrahim and Ali, all proprietors of the newly organized E.A. Juffali & Brothers, won Saudi Arabia's first-ever electrification project from King Abdul-Aziz Ibn Saud. The place: Taif, the mountain town in western Arabia where the royal family had its summer homes. When it opened in 1950, the system had just 125 subscribers and a daytime volume of only 70 kilowatts. But so appealing did those newfangled air conditioners become in the Arabian summers that the Juffalis soon received contracts to electrify the country's larger cities—Jidda, Mecca and Riyadh.

The favor of the grateful royal family assured, the Juffalis soon became the Saudi distributor for Mercedes-Benz, and within a few years the world's largest Mercedes truck dealers. The family also became the exclusive Saudi distributors for over 60 other foreign manufacturers, among them Michelin, IBM and Siemens.

Then came the joint ventures. With Fluor Corp. (on whose board Ahmad sat until recently); with Texas builder Henry C. Beck, building the Riyadh Marriott; with Borg-Warner, making—what else?—air conditioners. All of this expansion has been funded out of profits. "We don't rely on loans from banks," Sheikh Ahmad once snapped.

Robert Azzi/Woodfin Camp

Ahmad Juffali

By all accounts, the Juffali organization has weathered the oil glut. Indeed, during the current oil depression Juffali Brothers is still doing about $1 billion in sales, by far the largest single business in the kingdom. And that doesn't count the sales of their still-thriving (despite wide construction cutbacks) Saudi Cement Co. The royal favor seems intact.

With Ebrahim retired for more than a decade, Ahmad, 63, is the managing director of the family business. In the past decade he has emphasized a policy of investing away from the Persian Gulf. The family's major arm in the U.S. is New York-based Enpro International, which has known interests in Boston real estate and some small manufacturing companies. Altogether, the family fortune, according to *MidEast Report*, a respected New York-based newsletter, is more than $1 billion.—**William P. Barrett**

ALIREZA FAMILY

The Arab Rothschilds

In the West there were the Rothschilds—a son in this country, a brother there, a cousin elsewhere. In Araby, there is the Alireza family, generations of traders with distinct family branches in Saudi Arabia, Kuwait and Bahrain. Descended from an Iranian named Xenel, the Alirezas immigrated to Jidda and formed alliances through marriages with other merchant families. In 1925 they financed a militarily victorious but impoverished Abdul-Aziz Ibn Saud, the desert conqueror who seized Saudi Arabia from, among others, the family of Jordan's future King Hussein. When the oil came, the Alirezas held some of the early foreign distributorships in Saudi Arabia: Ford, ITT, Mobil, PepsiCo.

The acknowledged leader of the family today is Ahmed Alireza, in his late 60s, a grandson of Xenel and the chief executive of the principal family trading company, Haji Abdullah Alireza & Co. Ltd., or Haaco.

The Rezayat Group, which reportedly is a major investor in the U.S. (small companies and Texas real estate) through New York-based Rezayat America Inc., is run by another branch of the family including Abdullah Alireza, about 65, a grandnephew of Xenel, and Abdullah's son Teymour, about 42.

Teymour and Abdullah Alireza

A third branch, headed by Hussein Alireza, about 50, chief executive of Haji Hussein Alireza & Co. of Jidda, are Mazda agents in the kingdom. In recent years combined sales of the family businesses, including a host of service, construction and finance companies, have exceeded $1 billion annually, and their collective net worth is estimated at about the same. The clan has suffered its losses—there are hustling competitors all around the economically deflated Persian Gulf—but the widely diversified Alirezas as a whole continue to prosper.—**William P. Barrett**

Kuwait

AL-GHANIM FAMILY

Kerosene To Cadillacs

Even before World War II Kuwait's Al-Ghanim clan—the Rockefellers of the Gulf, they've been called—had 6,000 employees, the largest employer in the Persian Gulf. They sold kerosene because the big oil companies didn't want to bother with the Gulf Arabs, and later quarried gravel for cement, anticipating a boom in heavy construction.

The family is now headed by 80-year-old Yusuf Ahmed Al-Ghanim and one of his sons, Kutayba, in his late 40s. What put them on the billionaire path was General Motors. The family obtained the General Motors distributorship in Kuwait in the late 1940s. During the peak years of the oil boom, 1978-82, Yusuf Ahmed Al-Ghanim & Sons (YAAS)—which by that time included many other agencies—had estimated annual sales of $400 million, and possibly the highest profit margin of any GM dis-

Yusuf Ahmed Al-Ghanim

tributorship in the world.

When the oil bubble burst, auto sales dropped, to less than $100 million last year, but Al-Ghanim Industries, the main family holding company, is also in shipping, electronics and food-importing in Kuwait, where the consumer economy is still fairly fat. Even more important, under the leadership of the son Kutayba, who has a business degree from the University of California at Berkeley, the family has more than recouped its Persian Gulf losses through investing heavily in the U.S.

The principal investment vehicle is AI (for Al-Ghanim Industries) International Corp. of New York, which, for instance, sold off AI Automotive Corp., an auto parts company, in 1985 for a reported $250 million. The family has a formidable portfolio of other U.S. investments—construction supply companies, real estate in New York City, San Francisco, the Washington, D.C. area and the like—but never reveals figures. "We kind of like being private," understates Matthew Snyder, the president of AI International. However, several knowledgeable Persian Gulf bankers put the family's net worth in the $1 billion class.—**William P. Barrett**

Lebanon

RAFIK BAHAUDDIN HARIRI

Such Good Friends

One sure way of making the billionaire club is to become a favorite of the Saudi royal family. It always seems to work. Take Rafik Bahauddin Hariri. Twenty years ago he was teaching arithmetic; this year he bought a 26-room, 24,000-square-foot mansion on 16 acres in Washington, D.C., for $13 million. And he also owns 80% of Houston's 75-story Texas Commerce Tower, the tallest building west of the Mississippi. He's a favorite of the Saudi royal family.

Hariri, the son of a poor Lebanese merchant, left for Saudi Arabia in 1965 to teach arithmetic, switched to accounting and then discovered the construction business. He formed his own company, and hit the big time in 1976 with the contract to complete the Inter-Continental Hotel in Taif, the Saudi summer capital. He finished on time and under budget, to the delighted astonishment of the Saudis, and became a 40% partner in Saudi-Oger, the main contractor.

Hariri solidified his position in 1981 by completing Sunrise City, a large government project in the Eastern Province, for half the $900 million bid by other contractors. Along the way he became Saudi-Oger's sole owner. From 1980 to 1984 he averaged $2 billion a year in Saudi construction projects.

AP/Wide World

Rafik Bahauddin Hariri

Today Hariri, about 42 years old, operates an international construction and financial empire that stretches into Lebanon, France, West Germany, Switzerland and the U.S. His main European holding company is Luxembourg-based Mediterranean Investors Group. Hariri also has majority ownership of Beirut's Saudi-Lebanese Bank, Paris' Al Saudi Banque and interests in other European and Arab banks. Bankers who know him well put his net worth at $1 billion to $2 billion.

He also has spent hundreds of millions of dollars in shattered Lebanon, projects like a hospital near Sidon and scholarship loan programs to help thousands of Lebanese youths to study abroad. He quotes his mother: "He who knows how to take and give back will share the world's riches." Just as will those who know how to become good friends with the Saudi royal family.—**William P. Barrett**

THE SAFRA BROTHERS

One Sure Thing After Another

In Arabic *safra* means yellow, the color of gold. It's an appropriate surname for the Middle East-born Safra brothers—Edmond, Joseph and Moises—who have amassed one of the world's largest private banking empires.

Jews from a banking family of Aleppo, Syria, the brothers, led by father Yacoub Safra, grew up in Lebanon, but the family fled to Brazil during the 1950s because of anti-Semitism.

After opening a small loan shop in São Paulo's central square, the Safras quickly moved into gold trading. Their move into banking came in the early 1960s, when they bought a two-branch commercial bank, Banco de Santos, and renamed it Banco Safra.

The bank, nearly 100% owned by the family, was a huge success. It is now one of the most profitable in Brazil. Run by Joseph, 48, and Moises, about 52 (Yacoub died in 1963), it is the center of a South American financial net that includes an investment bank, a consumer credit company, an insurance firm, a leasing company and a mortgage bank.

Edmond in 1965 relocated to Geneva, where he started the Trade Development Bank, funded largely with the trust and deposits of fellow Jewish refugees. He sold it in 1984 to American Express for $550 million in stock, making him the company's largest shareholder, before their much-publicized bitter parting of the ways.

In 1966 he also founded the Republic National Bank of New York, using careful targeting of markets and big gifts to lure deposits. He quickly built the bank into the U.S.' 18th largest. "If there are 35 things a commercial bank can do and only 5 make money, I will do those 5 and leave the other 30 to Citibank and NatWest," he explained once.

The family is intensely secretive, and management of its businesses closely held, so it is not clear how the ownership is divided among Edmond, Joseph and Moises. In the opinion of observers, Edmond is the richest, followed by Joseph. What is clear is that the family wealth exceeds $1.5 billion.—**William P. Barrett**

West Germany

REINHARD MOHN

The Alfred P. Sloan Of Publishing

Reinhard Mohn may owe much of his success to having been a prisoner of war during World War II: Captured by the Americans, he was shipped to a prison camp in Concordia, Kans. There, filling the empty hours, he read about General Motors' great Alfred P. Sloan and his philosophy of decentralization with strict controls.

Returning to his native Gütersloh after the war, he found the family publishing business, Bertelsmann, in a shambles—printing presses destroyed, his two brothers missing. Mohn gave up an engineering career to resurrect the small publisher of religious books. Strapped for capital, the 25-year-old engaged in barter: Using what presses he could get working, he printed labels for a local distiller in return for whiskey. He then traded the whiskey for bricks, to rebuild.

Sloan's ideas stuck in his mind. Mohn renounced traditional, hierarchical German management for a more decentralized approach, a strategy designed to allow each operating group to retain entrepreneurial aggressiveness. Mohn prospered by staying focused on publishing, aside from brief forays into chicken farms and a chain of cinemas in the 1960s.

In the early 1950s, picking up on a hot trend in the U.S., he pioneered book clubs in Germany. Bertelsmann's book and record clubs now have some 16 million members in 19 countries. In the late 1960s Mohn entered the magazine business by buying a stake in Gruner & Jahr, publisher of *Stern*, which in 1984 printed the fictitious Hitler diaries, and of *Der Spiegel*, generally recognized as Germany's most influential magazine.

dpa

Reinhard Mohn

By the mid-1980s Mohn had built Bertelsmann into the world's richest publishing house, with $5.1 billion sales (1986-87), a media giant in books, music, magazines and TV.

Still based in Gütersloh, a city of 80,000 in northern Germany, where the company began as a printer of hymnals 152 years ago, Bertelsmann is now global. Last year it reached into the U.S. and bought the venerable Doubleday publishing house for $475 million. Only two weeks earlier, in late September, it paid $330 million for RCA Records. It is on the prowl for more U.S. firms.

Mohn, now 67, retired as managing board chairman in 1981 but still has a hand in major business plans. He and his family own 90% of the company, estimated by German analysts to be worth roughly $2 5 billion. But, given the prices media companies fetch these days, that figure may be quite low.—**Edward Giltenan**

VON OPPENHEIM FAMILY

Bankrolling Germany

In almost 200 years of banking in Cologne, the Oppenheim family has received Germany's highest accolades. In one generation, Simon and Abraham were made barons. In another, great-grandsons Waldemar and Friedrich Carl were arrested in 1944 as suspects in the assassination attempt on Hitler.

The family-owned bank, Sal. Oppenheim jr. & Cie., has been a significant part of the history of Germany. Founded in 1789 by Salomon Oppenheim Jr., then 17, it combined moneylending and discounting with the trading of wine, tobacco and linens, as did many banks of that era. Over 30 years, it became the second-largest bank in Cologne, and Salomon became the first Jew elected to the city's Chamber of Commerce.

His sons, Simon and Abraham, helped change the face of German industry in the 19th century by pioneering German joint-stock companies. The Oppenheim brothers financed the great railroads of Germany, the Austro-Hungarian Empire and Russia. They helped make Cologne the center of the German reinsurance industry. In 1868 they became the first Jews in Prussia to be named barons.

Simon's sons converted to Christianity. So, in the time of the Third Reich, Waldemar and Friedrich Carl were officially quarter-Jews; that was enough, with their position and stature, to spare their lives but not enough to shelter them from eventual suspicion and arrest. As another insult, in 1938 the Nazis forced the bank to be renamed Pferdmenges & Co., after a partner who joined in 1931, and the bank retained that name until 1947.

At any rate, the family outlasted the Nazis and was pivotal in rebuilding the country. After the war Waldemar repeatedly visited the U.S. to get loans for German industry. Robert Pferdmenges became a member of Parliament and was a close friend of Konrad Adenauer, Germany's first postwar chancellor. Such contacts helped the bank immeasurably.

Today Alfred von Oppenheim, 53, and his cousin Manfred, 63, represent the sixth generation of the family to own and operate the bank. The Oppenheims' other holdings by now are vast: insurance companies, other banks and commercial real estate in Frankfurt and Cologne. The family's net worth may be as high as $2.5 billion, according to European Securities Corp.—**Edward Giltenan**

Photos by Wolfgang Prang

Alfred and Manfred von Oppenheim

HENKEL FAMILY

"Sold With Enthusiasm"

Dr. Konrad Henkel, a third generation manager, has been chairman of Henkel KGAA since 1961. He is one of 67 family members—all descended from a Hessian merchant. Together they own nearly 100% of their giant consumer goods producer (1986 sales, $4 billion), giving them a fortune worth some $3 billion. It is built not on heavy industry or banking, like many European fortunes, but on shrewd packaging and marketing.

Founder Fritz Henkel in 1876 saw a market for bleach in standard-size packages, whereas previously it had sold only in bulk. He began selling Henkel's Bleich-Soda in packages and built a plant to make his own raw chemicals. In 1907 Fritz's son developed the first detergent—Persil—that eliminated the two-step washing process of bleaching and then laboriously scrubbing clothes.

Persil was a heavily advertised miracle powder with a money-back guarantee they scrupulously honored. And soon they had "millionen Hausfrauen" loyally buying the stuff.

"We have gone a step further," Fritz Sr. boasted in 1910. "We have found that just distributing the product is not enough and that you cannot be satisfied just having it available in a store. Rather it must be sold with enthusiasm." Selling with enthusiasm—a very American-sounding phrase but in this case invented in Germany. Europe was thus offered one of its first experiences with what is now a familiar U.S. phenomenon: a marketing company founded on brand-name detergents.

Henkel grew rapidly, introducing other cleansers as it went. It found itself in another good business when it had to manufacture adhesives for packaging because its traditional supply was cut off by French occupation of the Ruhr in the 1920s.

dpa

Konrad Henkel

In World War II Henkel lost virtually all its international assets. Rebuilding postwar meant battling for market share with the U.S.' Procter & Gamble and Britain's Unilever. Henkel proved equal to the task, perhaps not surprising given its long tradition of smart consumer marketing. Later the company expanded anew internationally. Still best known for its detergents, Henkel's products now range from vitamin E to specialty chemicals used for drilling. It is also the largest manufacturer of adhesives in Europe. In 1977 it bought General Mills Chemical Inc. in the U.S., which now accounts for about 10% of its sales, and it has operations in 45 other countries.—**Christie Brown**

RUDOLF AUGUST OETKER AND FAMILY

Just A General Store

Rudolf Oetker's grandfather was running a modest Bielefeld pharmacy in 1891 when he had a brainstorm, perhaps inspired by the Henkels: Package baking powder in retail quantities and sell it to housewives along with a free set of recipes. Dr. Oetker soon gave up the pharmacy to make baking powder full time.

Later came powdered pudding and sauces, vanillin, sugar, food starches. But it wasn't until grandson Rudolf took charge in 1944 that the business began to grow into the conglomerate it is today, with shipping, brewing, banking and insurance operations. Rudolf, now 71 and retired, fondly calls it "the general store."

Mighty big store. The Oetker Group, including Dr. August Oetker, the biggest food company in West Germany, had sales last year of $1.6 billion, not including brewing, banking and insurance. A Baring Securities

Archiv bild/dpa

Rudolf Oetker

analyst puts the family's total net worth at $2 billion.

Rudolf grew up in Bielefeld, where the company is still headquartered, and apprenticed as a banker while the family business was held in trust by his stepfather (his real father died in World War I, six months before Oetker's birth in 1916). In 1944, at 28, Oetker took over when his stepfather, mother and two half-sisters were killed in a bombing raid.

After the war, Oetker began to diversify. Along with other opportunity-seeking financiers, he took advantage of generous shipbuilding tax exemptions designed to help rebuild that war-demolished industry. By the late 1950s West Germany was the world's second-largest shipbuilder behind Japan, and Oetker had amassed a magnificent commercial fleet.

Today the Oetker holdings number about 70 companies, including the Hermann Lampe bank. All this is managed by five general partners, including Oetker's oldest son, August, 44, who heads the food business. Second son Christian, 42, will one day become chief of finance. And Richard, 40, is also preparing for the family business; he was the victim of a spectacular kidnapping in 1976 that cost a 21 million DM ransom.

To prevent family squabbles, Oetker in 1973 made seven of his eight children (he was married three times) sign renunciations of inheritance in exchange for assets totaling 53 million DM. Son August gets the rest and keeps the patrimony intact. The company remains private.

In retirement Rudolf plays tennis, collects art, visits his homes in Southampton, N.Y. and Argentina or his luxurious hotels in Paris and on the Côte d'Azur.—**Edward Giltenan**

ERIVAN HAUB

Great Atlantic And Deutschland?

Erivan Haub at 55 is the sole owner of the Tengelmann Group (1985 sales, 3.5 billion DM), the largest supermarket chain in Germany and a major and growing force in the U.S. He resides in Mülheim and has an estimated net worth of $1.3 billion.

The company, founded in 1876 in Mülheim by Wilhelm Schmitz-Scholl, started as a wholesale coffee, tea and cocoa business. His sons expanded. They opened a chain of stores, named after a friend, Emil Tengelmann, to feature their coffee. The stores also stocked candies. Gummy Bears were born—and still flourish. Further product diversification came during World War I, when the Allied blockade cut off supplies. Wine, canned foods and meats were added. After the Second World War, the next generation built modern, self-service markets named Grosso.

Erivan Haub took over in 1969, upon the death of his uncle, the last of the Schmitz-Scholls in management.

Trained in the U.S. at two supermarket chains—Jewel Tea in Chicago and Alpha Beta in La Habra, Calif.—and in a German bank, Erivan pioneered U.S.-style food retailing in Germany. In 1971 he acquired a big rival chain which doubled the number of stores. The following year he opened a chain of discount markets called Plus, also successful.

Like many ambitious world marketing people, Erivan Haub could not resist the biggest market of all. In 1980 he bought 52% of the U.S.' ailing A&P. Lately that famous old name—the first supermarket chain of all—has begun to turn around. Haub's holding in it is already worth some $800 million.—**Christie Brown**

Wattenberg/dpa

Erivan Haub

THE BRENNINKMEYER/ BRENNINKMEIJER FAMILY

Most Secretive Billionaires Of All

This Dutch/German clan, with its hundreds of direct members, is best known for being unknown. Secrecy is the trademark for C&A Brenninkmeyer, one of the largest clothing retailers in the world. The company has expanded to include stores throughout Europe, the U.S. and South America, yet it remains entirely within family hands. Reportedly 50 of the Brenninkmeyer elite meet four times a year in a quiet room above a narrow street in Amsterdam to discuss the state of their family's affairs. However, few Dutchmen even know they are there.

The business began in 1841 when Clemens and August Brenninkmeyer opened a dry goods store in Sneek, a Dutch hamlet across the German border from their hometown. Today the company is still Dutch-based, held through the Dutch holding company Intercena. Although the actual size of the Brenninkmeyer holdings is unknown, the family's 144 stores in West Germany alone (where company filing requirements are much stricter) have annual sales of about $3.5 billion. Rosemary Sagar, an analyst who covers German companies, estimates the market value of the Brenninkmeyers' German holdings, including real estate, at close to $3 billion. But this is just one piece of the family fortune. They own the largest clothing outlet in Holland; they own stores in Britain, Spain and Brazil; and in the U.S. they have more than 400 stores. The primary marketing strategy is fashionable but low-priced clothing in low-overhead stores. However, they have not always been successful. In 1961 Brenninkmeyer's broke into the U.S. by acquiring Ohrbach's, then famous for quick copies of Paris fashions and frequented by the likes of the Kennedys. Brenninkmeyer's discontinued the European lines, and the store's market share fell into disarray. Last February Ohrbach's on 34th Street in New York closed to make way for more profitable office space. The other five Ohrbach's are being

converted to Steinbach stores, a chain the family acquired last year.

In true tribal fashion, those Brenninkmeyers not sent away to run stores abroad are believed to live together on a multi-villa estate in Germany. Members of the family eat, travel and study together. Sons are all expected to join the company. Daughters may be another story; the family, devout Roman Catholics, has been accused both of religious bigotry and of discriminating against women. And the secrecy? "The family is perpetually afraid of kidnappings," adds a source who studied with two Brenninkmeyer daughters at Boston University. "They not only lived together the entire four years, they came under assumed last names." Predictably, the Brenninkmeyers' response to FORBES: "No comment."—**Patrice Duggan**

PRINCE JOHANNES VON THURN UND TAXIS

The Mail Went Through

Some might think it a fairy tale existence: Prince Johannes has real estate holdings throughout Germany, Canada, the U.S. and Brazil variously valued at $1.5 billion to $2.5 billion. His own brewery, his own bank, eight small electronics companies, nine castles. At 61, he has a 27-year-old wife and three young children by her, and three decades of jet-set living behind him.

The family saga opens with a 12th-century Italian highwayman whose descendants became respectable. In 1505 Francesco di Tassis began the first postal service, from Vienna to Brussels. He acquired land and changed his name to von Thurn und Taxis. Successful, he soon got the Pope's blessing and the mail business of the Holy Roman Empire. In 1695 the family received the hereditary title of prince. As time passed, they had boats sailing mail to America and owned the largest postal service in Europe. But in the 19th century the service was taken over by the kingdom of Prussia, in exchange for huge land holdings.

Action Press

Johannes von Thurn und Taxis

Throughout four centuries the Thurn und Taxis wealth has remained largely intact, thanks to primogeniture. Upon the death of his grandfather in 1952, Prince Johannes, then 23, became the legal owner of the family holdings, with actual control vested in an uncle and later in his own father. In 1982 Johannes finally took control upon the death of his father, Karl August.

With others minding the store, the prince, nicknamed Taxiboy, remained a playboy of international standing until his marriage to the motorcycle-riding Princess Gloria in 1980. Now he has settled down and supervises the businesses, even if he does not actually run them. The couple lives sumptuously at his palace in Regensburg, where he maintains a museum and business headquarters.

As befits the possessor of a four-hundred-year-old fortune, the prince is very self-confident. He once told this story to journalist Peter Dragadze: As a small boy, at the dawn of the Hitler era, he attended a public school where his princely dress made him a target for the other boys. Taunted mercilessly, he tangled with the biggest bully. As he tells it: "Suddenly I saw a pair of black boots next to me. It was a Nazi official, who said, 'A German boy does not hit another German boy.' 'My good man,' I replied, 'a German boy does not laugh at a German prince.' The Nazi heels instantly clicked together. I knew I had won the day." Such hauteur survives wars and revolutions.—**Christie Brown**

WILHELM VON FINCK AUGUST VON FINCK JR.

Farmers First

The von Finck family's first love is 10,000 acres of mostly undeveloped land in and around Munich. But there is much more to the empire: Bank Merck, Finck & Co., a private bank (1985 volume, 3.5 billion DM), 90% ownership of the famous Löwenbräu brewery, huge holdings in insurance, construction and food companies. Together they total an estimated $2.5 billion.

Archivbild/dpa Pabel-Stern

August and Wilhelm von Finck

The family fortune began with Wilhelm von Finck, a legendary entrepreneur of the 19th century. In 1870 he left his native Hesse for Munich and at age 21 helped start a bank. By 1897 Wilhelm had bought out the limited partners of the bank: "Limited partners only cost money; I can't afford that." He went on to found the two largest insurance companies in Germany, Allianz Insurance and Munich Reinsurance.

After his death in 1924, his son August and his two daughters became partners in the Bank Merck, Finck. August, a banker more kosher to the Nazis than the Rothschilds, took over the Rothschild Bank in Vienna in 1938 after the Anschluss. For his Nazi past August Finck was stripped of his directorships at both insurance companies, and the family bank was put under a trustee. But money will tell: In 1951 Finck again took control of his bank, while concentrating on increasing the family landholdings, then only 5,000 acres. Even his passport gave his profession as farmer, then banker.

By his first wife August had two sons, Wilhelm and August Jr., who were raised to run the family business. In 1973 the father turned over the family assets to his sons to beat a drastic increase in gift tax. August Jr., now 57, lives with his wife and four children in Munich. Wilhelm, three years older, moved to Düsseldorf to manage a branch of the bank. After the death of their father in 1980, August Jr. became the spokesman for the company.

As befits a banking image, the von Fincks keep a low profile and unostentatious lifestyle—August Sr. rode a chauffeur-driven VW to work—and today stay well out of the limelight. Whether the von Fincks are the second-richest family in Germany behind the Flicks, or the Mohns are, is a fine point.—**Christie Brown**

WERHAHN FAMILY

Peekaboo

Secrecy must be an asset: The Werhahn family of Neuss is among the richest in West Germany. Heribert Werhahn, 63, and his clan do not talk to the press, and very little has ever been revealed about their personal history. But it's impossible to conceal their vast holdings. Privately held Wilhelm Werhahn AG has some 70 companies under its umbrella: breweries, a bank, insurance companies and a regional retailing chain. The family's public holdings include 7% of RWE, one of West Germany's largest electric utilities; 10% of the Hoesch steel firm; and about half of Strabag Bau AG, a construction company. On the basis of estimates from European Securities Corp., the Werhahns are worth a minimum of $1.8 billion.

Virtually all the fortunes of West Germany's billionaires had to be rebuilt from the ashes of World War II. Above, Munich, where the von Flicks own substantial real estate and banking interests, in 1946.

QUANDT FAMILY

Buy a BMW

After time out to build engines for Hitler's Luftwaffe bombers, BMW tried to regain its stature as Germany's premier maker of sports cars and also to crank out a cheap "bubble car" for volume. But German motorists couldn't afford the sports car and wouldn't buy the bubble. In 1959 creditor banks considered selling BMW to rival Daimler-Benz, a company in which the Quandt family then had sizable holdings.

But the Quandts had other plans. Herbert and his half-brother Harald bought 13% each of BMW, gained control and called for a midrange car. In 1961 the BMW 1500 appeared, and the public loved it. The Quandts' original investment was probably under $1 million. Today their 66% is worth at least $2.2 billion.

The Quandts are an old industrial family. Gunther Quandt, born in 1881, inherited a small textile business and expanded into potash, mining, batteries, armaments and insurance. After World War II Gunther revived his empire in spite of huge war losses and the shadow of a Nazi past. He died in 1954, leaving his sons a sizable fortune.

Stern Paul Sturich/Stern

Herbert and Harald Quandt

The unassuming Herbert, forced out of school by eye trouble at age 10 but given a thorough business training by his father, was devoted to BMW. He poured money in despite Harald's objections and put BMW on the road to its current success by ordering high-performance, quality automobiles.

Harald, 11 years the younger and born of Gunther's second wife (who later married Joseph Goebbels), died in a 1967 plane crash. His estate sold its BMW holdings to Herbert.

Herbert died in 1982. His third wife, Johanna Quandt, 62, is deputy chairman of BMW's supervisory board; his lawyer, Hans Graf von der Goltz, is chairman. From time to time speculation arises that the Quandts are ready to sell, but last year BMW had a rights issue and the Quandt family took up its full share.

Herbert's heirs also hold half of Altana, a food and drug firm; half of CEAG, an auto parts company; and 60% of Varta, a battery maker. Total worth is about $520 million, according to Baring Securities in New York. Herbert's entire fortune is divided among Johanna and four daughters and two sons from all three marriages. Harald's money, mostly in real estate and industrial firms, is divided among his five daughters.—**Edward Giltenan**

KARL FRIEDRICH FLICK

Friends In High Places

Karl Flick, known to his friends as K.F., was catapulted out of the privacy that he loves in 1981 and dubbed the "paymaster of the Republic" when it was discovered his representatives had made big contributions to politicians in virtually every German political party in the hope of tax abatements. The notorious Flick Af-

dpa

Karl Friedrich Flick

fair resulted in the resignation of the Economics Minister and the chairman of Dresdner Bank, and a $300,000 fine for Flick's general manager. All three were convicted of tax evasion.

Good political connections helped establish the Flick fortune—and have kept its possessors in frequent hot water. The holding company Friedrich Flick KG was founded in 1934 by K.F.'s father, Friedrich, who grew up on a farm near Cologne. He moved up rapidly at a local steel company and in 1915, at 32, started investing in coal, steel and armament stocks. In 1923 Friedrich moved to Berlin, struck up a friendship with Hitler and hit the fast track in the Thirties as a savvy investor with grateful friends in high places. He later explained: "I was of the opinion necessarily that political insurance would not do me any harm." Not quite true: Convicted of economic crimes at Nuremberg, he spent seven years in jail.

After jail the Allies offered Friedrich a choice: keep his coal interests, or steel, but not both. Friedrich amazed everyone by opting for steel. This looked foolish at the time, since war-ravaged Europe was hungry for coal, but Flick saw the handwriting on the wall: Cheaper oil would take markets away from coal. Money from his coal properties he invested in cars, paper, chemicals. Friedrich craftily bought up 39% of Daimler-Benz between 1952 and 1958; it subsequently went up over 2,000 times.

Friedrich's eldest son relinquished all family rights after a court fight and a lump-sum payment; his second son had died on the Russian front. So K.F., the youngest, inherited most of the Flick empire in 1972, later buying out two nephews and a niece.

In 1986, amid the turmoil of the political scandal, Friedrich Flick, then 59, suddenly sold everything to Deutsche Bank for about $3.5 billion. He now lives quietly with his two daughters outside Munich.—**Christie Brown**

GRETE SCHICKEDANZ

Queen Of Mail Order

Grete Schickedanz, 75 and chic, blonde, energetic and physically tiny, has become a famous personality in Germany. She owns Quelle, the largest mail-order catalog business in Europe, with 1986 sales of 8.6 billion DM and worth an estimated $800 million. In addition she shares ownership of the Schickedanz Group with her

Grete Schickedanz

stepdaughter Louise Dedi and her daughter Madeleine Bühler. This holding company has a paper company, real estate and investments estimated at $1.5 billion.

Quelle, meaning source, was started in 1927 by Grete's husband, Gustav Schickedanz, then 32 years old, who after traveling through eastern Germany, realized it was difficult for country people to buy simple household goods. Much of Germany was primarily farmland, without today's autobahns, and buying trips into the nearest town could be difficult. Gustav returned to the farmlands laden with sheets, yarn, pots and brooms to sell from the back of his truck, and soon changed to catalog selling. His Teutonic Sears, Roebuck was an instant success.

World War II wiped the business out. Factories were destroyed, and there were no goods to be had, even for a Nazi in good standing like Gustav.

In 1945 Grete opened a small general goods store and started the mail-order business again from scratch. Gustav lived until 1977 but stayed in the background, at first because of his Nazi past.

Quelle currently mails 16 million catalogs twice a year, featuring 45,000 items from garden supplies to high fashion. The Schickedanz stores have expanded to 30 department stores and 150 electronics outlets.

Grete resigned as president of Quelle in February. Very social, a sports addict, she is now frequently to be seen at the fashion shows in Milan and Paris.—**Christie Brown**

United Kingdom

GERALD CAVENDISH GROSVENOR

Not A Bad Snipe Bog

This Duke of Westminster, now 35 years old, with two daughters, is married to a descendant of Czar Nicholas I through her Romanoff grandmother. The duke has controlled one of the world's largest property empires since 1979, when he was 27. As the sixth Duke of Westminster, he is the wealthiest landowner in Britain save the Queen.

The Grosvenors have long been a fixture of Britain's aristocracy. The family's estate was once a snipe bog, received by Sir Thomas Grosvenor when he married the 12-year-old daughter of a scrivener in 1677. Today it includes 300 valuable acres in London's West End, including Belgravia and Mayfair, the fashionable neighborhoods near Hyde Park, Buckingham Palace and Victoria Station.

Shrewd management and long leases renegotiable every three, five or seven years have kept the Grosvenors afloat while other noble British families have been forced to sell property.

Gerald Grosvenor has been called "the most businesslike duke in a century." And a good thing for the family. A socialist Parliament in 1967 passed a Leasehold Reform Act, allowing tenants to force the sale of underlying land to them at less-than-market prices. As a result, the family lost a reported 10% of its residential holdings, but the present duke has preserved the rest.

He has also diversified the family's interests overseas. The duke heads a group of international property inves-

Allen Warren Camera Press

Lord Grosvenor

tors that includes pension fund partners, like Rolls-Royce and the BBC. The group, which Gerald calls "a comforting insurance policy," reported assets last year of $1.9 billion, with $500 million of it the Grosvenors'. The properties include a 190,000-square-foot office building within walking distance of the White House, a 16-acre waterfront resort in Maui and shopping centers and office complexes in British Columbia, Australia and the U.S. Combining the British and foreign properties, the Westminster properties add up to about $3 billion in assets.

Yet, however much the duke diversifies away from Parliament's grasp, he is a loyalist: He still resides at Eaton Hall in Chester, where the first English Gros Veneur was established by William the Conqueror in the 11th century.—**Kathleen Healy**

SAMUEL, LORD VESTEY AND EDMUND VESTEY

Out, Out, Damned Tax

Here is one of the largest, most secretive and peculiar family empires in the world—second to the German Brenninkmeyers. Its roots: A Victorian provisioner's son, William Vestey, discovered that the slaughterhouses of Chicago were discarding bruised, unsellable cuts of beef. He and brother Edmund made a fortune buying the stuff cheap, canning it and thus making cheap protein available to the malnourished English working class. A second fortune grew from cold storage warehouses, fresh meat, poultry and eggs. Then came huge refrigeration plants in Czarist Russia, where meat was cheap, and in China, where eggs were cheaper; refrigerator ships; cold storage and retail shops all over England. The Vesteys became rich, and England better fed.

Then, post-World War I, U.S. meatpackers intruded while heavy postwar taxation made capital accumulation almost impossible.

Outraged by near-confiscatory taxes, the Vesteys quetly moved wealth out of England in 1915. In 1967 a socialist uproar arose from the discovery that the Vesteys were living the life of aristocracy but not paying British tax—and had paid little for over 50 years. An attempt at punitive taxation was beaten back 12 years later in the House of Lords.

Today the Vesteys own some 200 subsidiary companies in over 20

Terry Kirk/Financial Times

The Vestey brothers

countries: slaughterhouses; cold stores; refrigerator ships that carry meat from Australia, New Zealand and Latin America to Europe and North America; and an insurance company to cover the risks. They operate the largest chain of retail butcher shops in England, with some 1,500 outlets. They control one of the largest slaughterhouses in Britain and import nearly 10% of the U.K.'s beef and lamb. They own textile mills in Hong Kong and a meat wholesaling venture.

Samuel, Lord Vestey, 46, and cousin Edmund, 55, control everything through four £1 "management shares"—two shares each. Always acting together, they still make the daily decisions about running their $2 billion (estimated assets) holding company, Western United Investment. The family crest sums it up: "Stability through work—and cold stores." And tax avoidance.—**Kathleen Healy**

DAVID J. SAINSBURY

The Lights Are Still On

The Sainsburys have come a long way from a dairy shop opened on Drury Lane in 1869 by John Sainsbury in the hope that it might become six shops, one for each son. It became more than that in his time, and the Sainsburys have proved lucky in each of the last four generations.

John Sainsbury's son J.P. was so dedicated to the business that his dying words were said to be, "Keep the stores well lit."

Third-generation Alan, Lord Sainsbury, according to legend, was stung into similar dedication in his youth by the overheard observation of an employee that "firms like Sainsbury's always go bust in the third generation." He and his brother Sir Robert expanded the chain to 259 branches before Alan retired in 1967.

Today Alan's son John and Robert's son David control the chain, now some 275 stores and the largest and most profitable retail food chain in Britain. The family's controlling share of J. Sainsburys supermarket empire, which well exceeds 50%, is lately worth around £2 billion. David alone holds some 25%, worth £950 million (about $1.6 billion). The family fortune is split between six third- and fourth-generation descendants of John Sainsbury. They have set up a charitable trust worth £350 million. It includes such projects as the £30 million wing being added to the National Gallery.

David Sainsbury is a bit different from some of his forebears: He considered a career as a research psychologist at Cambridge before deciding "I'd rather be a good grocer than an average researcher." Now, besides serving as financial director of the family company, he has a venture capital fund and gains as much attention for his vociferously liberal politics. A onetime Laborite, he's a leader in the Social Democratic Party, part of the alliance that fared badly in Margaret Thatcher's election sweep this year.

The Sainsburys have recently looked outside the U.K. They bought a controlling interest last year in $1.1 billion (sales) Shaws supermarket chain, serving Massachusetts, New Hampshire and Maine. They are putting a toe in the water to learn some-

RDR/Rex

David Sainsbury

thing of the U.S. marketplace before they risk any major expansion in the U.S.—**Kathleen Healy**

SIR ADRIAN AND JOHN SWIRE

Sun Sets On British Empire

The Swire Group began in 1816 in the U.S. cotton trade. Interrupted by the Civil War, the Swires shipped textiles to Japan and China. The firm was founded by his father, but John Samuel Swire, swashbuckling trader from Liverpool, built it into a Chinese trading empire. The Swires' merchant interests were soon surpassed by shipping, and from 1884 John Samuel built a sugar refinery, the Taikoo Dockyard in Hong Kong, a tug company and a paint factory.

After World War II the empire was built anew by Sir Adrian and John's father, "Jock" Swire. Among other things, Jock acquired then-tiny Cathay Airlines in 1948 and added it to his main Asian vehicle, Butterfield & Swire. Now it has grown into Swire

South China Morning Post

Sir Adrian and John Swire

Pacific, a big Hong Kong-based combine with interests in property development, shipping, Coca-Cola bottling and trading, with earnings of $230 million on revenues of $2.1 billion last year.

However, the sun may be setting on the center of the Swire empire. A public offering of the airline last year, and sale of a 12.5% interest in it to Citic, the foreign investment arm of the Beijing government, in January, have reduced Swire Pacific's share to 50%. Whether the Swires can hang on after Hong Kong reverts to the mainland in ten years is an open question, according to Jardine Fleming Securities.

Meanwhile, John Swire, 60, and brother Sir Adrian, 55, fifth-generation descendants of John Samuel, run their interests from London and keep a low profile. The business won't die if Hong Kong is lost: The brothers have interests in smaller public and private companies worldwide—refrigerated warehouses in North America and Australia and 30% of James Finlay, which owns tea plantations in Bangladesh and Kenya. For now, credit the Swires with over $1.4 billion.—**Diana Fong**

SIR JOHN MOORES

I'll Take The Low End

Okay, all you modern managers, go chase the affluent side of the market. Sir John Moores, 91, life president of the U.K.'s largest family-owned private company, became a billionaire selling things to folks at the low end of the market. British workers buy clothes from the retail chain and mail-order firm he founded, they gamble their spare pennies through his weekly soccer lottery and, if they're good Merseyside boys, they'll head out to Anfield or Goodison Park on a Saturday afternoon to watch one of the two soccer teams he has a major stake in, Liverpool and Everton.

Demographics have started to catch up with the Moores empire. The working class becomes middle class. Liverpool-based Littlewoods, Moores' conglomerate, notched up disappointing profits of $115 million last year on sales of $2.8 billion. His 110 outlets are plagued by the same image problems that afflicted Sears in the U.S. market, with many of the Littlewoods stores situated in depressed northern England. Soccer and the soccer pools, which offer the chance to win $1.6 million, are losing popularity as fans grow older and the game is tainted with hooliganism and violence.

Moores has retired twice: He handed over the reins to his son, Peter, in

Camera Press

Sir John Moores

1977 but abruptly took over again in 1980 when profits started drying up. Moores retired again, in 1982 handing over the chairmanship to a nonfamily member, John Clement. Despite these problems, the City of London's investment bankers drool at the prospect of taking Littlewoods public, unlikely only as long as publicity-shy Moores, who founded the company in 1923, is still alive. Meanwhile, they calculate Moores' wealth, applying market multiples to his reported earnings. Lately they came up with at least $1.5 billion.—**Jonathan Clements**

ROBERT MAXWELL

Richest Czechoslovakian

Jan Ludwig Hoch is an unlikely billionaire. A Labor M.P. born in Czechoslovakia in 1923, he is now a billionaire Fleet Street press baron with the anglicized name of Robert Maxwell. After serving in the Czech

Christopher Cormack Impact

Robert Maxwell

underground as a teenager, Robert Maxwell became a captain in the British army. A series of postwar deals, some reportedly using army contacts to get hold of German military research, gave him a stake in a war buddy's small publishing company. In 1951 he bought out the buddy for a reported £13,000. At Pergamon Press he quickly established a series of academic and scientific journals that amounted to lucrative, if tiny, monopolies: "It's no use trying to compete with me," he once said, "because I publish the authoritative journal in each field. I'm dealing in high-penalty information. If you're building a chemical plant and you don't know about the latest development in that area, the mistake could cost you £10 million. So people will pay £1,000."

In 1971 Maxwell sold Pergamon to American dealster Saul Steinberg. Steinberg cried foul over Maxwell's accounting and self-dealing. Eventually Maxwell bought it back for a nominal sum, handing Steinberg one of his rare financial setbacks. Since then Maxwell has tried other takeovers, mostly unsuccessfully. But at least two succeeded: In 1981 he acquired control of British Printing Corp., England's largest printer, for £10 million. It was earning practically nothing, thanks to management incompetence. Last year it earned £80 million, and in the first half of this year it more than doubled its pretax profits. Maxwell's 60% was recently worth £860 million. In 1984 he bought all of the Mirror Group (newspapers), now estimated to be worth $400 million.

Last year Maxwell's British Printing & Communications Corp. bought three U.S. printing companies and a minority stake in Canada's biggest paper company. Maxwell's Pergamon Media holding company bought a minority stake in France's TF1 as part of the TV station's privatization. Lately he's been getting into cable TV, folding his unsuccessful *London Daily News* and making a pass at U.S. publisher Harcourt Brace Jovanovich.

Nearly all of his seven offspring work in the Pergamon group, including Kevin, the 29-year-old favored son, who for now is managing director of one of the group's subsidiaries.

Says Maxwell: "I expect to be one of ten surviving global publishing companies. Once you understand that, you understand what I've been driving at."—**Kathleen Healy**

Italy

GIOVANNI AGNELLI

Romantic Figure

Last year the publication *La Repubblica* asked Italian women whom they would most like to fall in love with. Whom did they pick? A rock 'n' roll singer? A movie sex symbol? No. They chose 65-year-old Giovanni Agnelli, chairman of Turin-based Fiat Group and an internationally famous hobnobber with presidents and motion picture stars.

Agnelli (nicknamed *l'avvocato*, the lawyer) was born into the establishment: His grandfather, also Giovanni Agnelli, founded Fiat (Fabbrica Italiana Automobili Torino) in 1899. Agnelli's father, Edoardo, died in a plane crash in 1935, when Gianni was 14. The grandson joined the family company in 1945 after fighting in World War II on the side of the Allies. His war record ensured Fiat gentle treatment by the U.S. occupying forces. For 20 years a close associate of Agnelli's grandfather ran the firm, which continued to dominate the Italian market. In 1966 Agnelli took over as chairman.

As the economy boomed, Italians traded in their scooters for the small, inexpensive Fiat cars. But the Seventies brought real trouble. The OPEC oil crisis played havoc with the Italian economy. Left-wing unions, more interested in disrupting the economy than in the welfare of the workers, hurt production. Absenteeism exceeded 20%. In an effort to placate the unions, Agnelli, mistakenly, extended the *scala mobile*, Italy's infamous system of wage indexing, which raised costs but did nothing to civilize the unions. In addition, Red Brigade killers assassinated four Fiat managers and wounded 27.

But as Italy prospered and its taste for left-adventuring waned, the atmosphere changed. Agnelli took advantage of the new mood. He fired 61 workers suspected of terrorist links and broke the reign of terror the left fanatics had maintained over the mass of employees. He also replaced his own younger brother, Umberto, as president, with the tough Cesare Romiti. Something still had to be done about the featherbedding and bloated labor costs that made Fiat uncompetitive in an increasingly open and competitive European market. Romiti laid off 23,000 workers. A 35-day strike ensued, but in the end management

Paolo Siccardi Picture Group/Contrasto

Giovanni Agnelli

won substantial improvements in productivity.

Since then Fiat has doubled its profits nearly every year. In 1986 the firm earned $1.6 billion on $22 billion sales—a 7% margin. In comparison, Toyota's was 5%. When things were blackest, Libyan dictator Moammar Qaddafi had bought 15% of the company; now Agnelli has bought him out. The Agnelli family holds 38%. Agnelli's empire also includes newspapers, department stores, cement companies, banks and electronics manufacturers.

Giovanni Agnelli's net worth? Just short of $2 billion. All that and glamour, too.—**Tatiana Pouschine**

BENETTON FAMILY

Papa Would Be Proud

Take a stroll through Paris, London or New York. You can't miss the brightly colored Benetton clothing outlets. Like fast-food restaurants, they pop up everywhere. In 23 years the Benettons of Ponzano, Italy have created a European clothing empire.

Luciano, the eldest, is the driving force behind the $1 billion (sales) Benetton Group, which is headquartered in a beautiful 17th-century villa 20 miles north of Venice. His father, a truck driver, died in 1945, when Luciano was only 10 years old. Luciano left school at 14 to help support the family by working as a clerk in a material shop in Treviso.

Meanwhile, Luciano's sister, Giuliana, a knitting machine operator in a garment factory, liked to create simple sweater designs using brilliant colors. Luciano began to peddle the knitware to stores in Treviso after work. They sold well.

In 1955 Luciano decided to take the plunge. He and his sister, then aged 17, would team up to go into business for themselves. She would design, he would sell. With trepidation she agreed. To raise the down payment on the knitting machine, Luciano had to sell his accordion.

By 1965 business was good enough to open a small factory. In 1968 the two Benettons launched their first retail store, in the small Alpine town of Belluno. The formula: trendy, good-quality clothing at low cost. In true Italian style, the business soon became all family. Gilberto and Carlo, the two younger brothers, joined the company. Luciano was the president; Giuliana, the designer; Gilberto, the head of finance; and Carlo, the head of production.

Luciano, Gilberto, Giuliana, Carlo Benetton

The Benetton family has been quick to exploit market trends. The company moved from jerseys and cardigans into jeans just as the market for denim jeans was exploding in the mid-1970s.

And they have been shrewd. Where others built inventories of colored textiles at risk in the fickle and changeable marketplace, the Benettons bought most everything in a neutral color and dyed it to fit demand. The Benettons are widely admired for their innovative production technology. Their principal warehouse in Italy is so highly computerized that fewer than ten employees are needed to staff it. By 1975 Benetton had 200 shops and was opening more at the rate of 100 a year.

After 1979 the family expanded to the U.S. to take advantage of the huge surge in demand for informal clothing. Today the company oversees 4,500 outlets in 60 countries, and sales have almost doubled since 1983.

In July Benetton debuted on the Italian and Frankfurt stock exchanges. The stock has skyrocketed. Together, the four Benettons, who own equal shares, are worth about $1.8 billion.—**Tatiana Pouschine**

FERRUZZI FAMILY

Billionaire Farmers

The Italians, who like nicknames, have dubbed Raul Gardini, managing director of the Ferruzzi group, *il contadino*, or the farmer.

It's quite a farm. The family estate includes over 2 million acres of land in Europe, the U.S. and South America. In addition, the Ravenna-based Ferruzzis control over 50 companies.

Serafino Ferruzzi, a small-time farmer, started by importing grain into Italy to meet shortages created by World War II. The trade was startlingly lucrative, and, once started, the business grew fast. So fast that a young man named Raul Gardini, son of a family friend, quit his university studies in 1955 to work as a trader for Ferruzzi. Two years later Gardini married Idina, the boss' daughter. In 1979 Gardini's publicity-shunning father-in-law died in a plane crash. Gardini was in charge.

In 1981 the group bought a large stake in France's largest sugar concern, adding 30% of the French sugar market to their dominant share of the Italian market. In 1986 Gardini went after British Sugar. British critics kicked up a fuss, and the bid was rejected this year by the British authorities, but Gardini patiently bought a 23.7% share in the company's parent, Berisford.

The extent of the Ferruzzis' power became obvious last winter when Gardini won control of Montedison, Italy's $8.6 billion (sales) chemical firm. The Ferruzzi interests now hold 36% of Montedison.

Last summer the Ferruzzis showed themselves yet more: They will become Europe's largest producer of cornstarch by paying over $600 million for the European operations of CPC International, the U.S. food company.

Gardini evidently intends to stick to agriculture-related businesses—but defined his way. For example, he hopes to turn Europe's cereal and sugar surpluses into ethanol, a gasoline additive. A joint venture with Montedison has spent $80 million on a U.S.-based plant. Next: He may take more of the Ferruzzi holdings public.

The family's holdings, which are divided among Gardini, his wife and three other children of Serafino Ferruzzi, are easily worth over $1 billion, net.—**Tatiana Pouschine**

Angelo Palma Marka

Raul Gardini, getting degreed

SALVATORE LIGRESTI

Mystery A La Siciliano

Last year *Il Mondo*, a leading Italian business magazine, featured Salvatore Ligresti on its cover as "the new king of Milan." Quite a compliment for a Sicilian in condescending northern Italy.

Ligresti, 55, grew up in Paterno, where his family owned a modest textile business. He went north in 1957 to study engineering at the University of Padua. In 1959 he settled for a paying job as an engineer at the Milan airport. After working for an architect to gain experience, he went into his first construction deal in 1962. A quarter century later he had made his first billion.

Sergio Ferraris Marka

Salvatore Ligresti

He began by overseeing construction projects, including office buildings and parking garages, in which he always took an ownership stake. By 1978 he was rich enough to buy through a network of holding companies a 36% stake in the big insurance company SAI. Here Ligresti was tempting fate: "There is a saying," says one Italian stockbroker, "that whoever buys SAI sooner or later goes bankrupt."

The previous owner had indeed gone under, but Ligresti's timing was better. SAI rebounded to become one of Italy's most successful insurance companies. Ligresti's investment—estimated at about $50 million—is now worth over a trillion lire, or over $750 million.

Still moving, in 1985 Ligresti bought giant Grassetto Costruzioni and its residential-builder affiliate, Grassetto Casa. The Ligrestis also own most of a bathroom ceramics manufacturer, a string of private medical clinics in Milan, 32 hotels and real estate holdings centered in Milan but scattered from the north to the south of Italy.

The Milanese aren't quite sure what to make of Ligresti. They trust no one from the South: Where did this onetime engineer get the capital for his big Milanese construction killings? Is this envy and resentment? Or is the success suspicious? No one really knows.—**Tatiana Pouschine**

MICHELE FERRERO

Where's The Chocolate?

Given the number of kidnappings in Italy, it's no surprise that many rich Italians are allergic to publicity. But few are as allergic to media attention as Michele Ferrero, owner of a private chocolate conglomerate based in Pino Torinese, outside Turin, which makes some of the most commonplace and familiar products in Italy and the U.S.

Ferrero was 32 years old when he took over a small family confectionery and pastry business, Ferrero SpA, in 1957. His father, Pietro Ferrero, came up with a new idea. During World War II tons of hazelnuts sat unused in the warehouses of Alba. Meanwhile, Italians, who couldn't afford chocolate, craved sweets. Pietro created a chocolate spread based largely on hazelnuts.

The firm began to grow rapidly with Michele's launching of Nutella, a similar chocolate spread. Kids went crazy over it then and continue to go crazy over it today.

The Ferrero empire now includes other successful products: Tic Tac mints, Mon Cheri and Pocket Coffee chocolate and Kinder chocolate, all big sellers in Europe. The company's consolidated sales are today over 2 trillion lire, roughly $1.5 billion, and it employs more than 6,000 employees worldwide.

The reclusive Ferrero keeps coming up with new ideas and successful selling strategies. He spends heavily on television spots, with advertising campaigns mostly created in-house. Are European mothers worried their kids eat too much sugar? Ferrero's commercials point out how much more milk than chocolate there is in its Kinder chocolates.

Having no shareholders to please, Ferrero can also afford to wait for success. Consider Tic Tacs. Introduced in the U.S. in 1971, the mints were an instant hit. By 1974 competitive prod-

Olympia

Michele Ferrero

ucts such as Warner-Lambert's Dynamints were edging into Tic Tac's market. Ferrero shifted the brand from adults toward children—unfortunately, the wrong move. By 1977 children, ever fickle, had switched to soft bubble gum, and Tic Tac had lost its hold on the adult market.

Ferrero refused to give up. He dropped all brand advertising and instead developed a new network of brokers to push Tic Tac to retailers. Gradually, it recovered. By 1985—eight years later—its market share had climbed back to almost 10%, from its low of 2.5%. Of such small stuff is a business worth over $1 billion made.—**Tatiana Pouschine**

Switzerland

BARON HEINRICH THYSSEN-BORNEMISZA

It's The Art

Baron Thyssen-Bornemisza is firmly entrenched as one of the world's richest men on the basis of his art collection alone: 1,500 or so paintings that are generally valued at over $1 billion by the art world, a collection widely considered to be second in size and value only to the Queen of England's.

A great fortune is the first prerequisite for a great art collection, and the Baron's began with his grandfather's steel company. August Thyssen, born in 1842, was the Andrew Carnegie of Germany, a son of a successful wire manufacturer who started an iron and steel foundry in Mülheim in 1871. He built many foundries and his own harbor and expanded into neighboring countries. The eldest son, Fritz, inherited the steel and coal in 1926; the younger son, Heinrich, the father of the present baron, inherited diverse businesses in Germany and Holland. He considered himself more an art collector than a financier. He acquired the title and the Bornemisza name by marrying into, and being adopted by, a titled Hungarian family needing a male heir. In 1933, despising the Nazis in Germany, he settled in Lugano, Switzerland.

Baron Heinrich Thyssen-Bornemisza

Evelyn Hofer

In 1947, at 26, the present baron inherited a ragtag bunch of companies, half the art and a still-suspect name (Uncle Fritz had been an early supporter and financier of the Nazi party, not breaking with it until 1939). Heinrich promptly set about repairing the Bornemisza branch of the businesses and winning back and rebuilding properties confiscated by the Allies.

Today Thyssen-Bornemisza Group, based in Monaco but with 40% of its $1.8 billion sales in the U.S., includes storage and container leasing companies, a glass manufacturer, agricultural machinery, and information systems companies. It is administered by the eldest of Heinrich's four children, Georg Heinrich.

The baron's lifelong ambition has been to assemble the world's best private art collection. He bought back most of the Old Masters inherited by his siblings and has uniformly bought the best from the best: a Duccio from the Rockefellers, a Ghirlandaio once in the Morgan collection. (He still wants a Botticelli, however, and a Jackson Pollack.) His home has become a mecca for the art world.

The baron's love affair with esthetics also extends to women: "Must I possess a picture to enjoy it? A picture? No," he has said. "Maybe a woman, yes." Now 66, he lives with his fifth wife at his Villa Favorita in Lugano.—**Christie Brown**

MAJA SACHER-STEHLIN AND PAUL SACHER

The Hoffmann-La Roche Fortune

Through marriage Maja and Paul Sacher are the principal heirs to the F. Hoffmann-La Roche pharmaceutical empire. The Basel-based fortune, however, started with Fritz Hoffmann in the 19th century.

Fritz was the 13th generation de-

Keystone

RDZ

Paul Sacher and Maja Sacher-Stehlin

scendant of a shoemaker, Hans Hoffmann-Sax, who became a citizen of Basel in 1489. But the long family tree was no solace during the early years of the company, which Fritz founded with a partner in 1894. Two years later his partner left, and the firm almost folded when the banks cut off the company's credit. But Fritz fought back, and in 1898 he came up with his first blockbuster drug.

In the fall of 1892, while apprenticed to a pharmacist in Hamburg, Fritz had lived through a cholera epidemic that killed thousands of people in a matter of weeks. He and the other employees drank cognac all day in an attempt to fight off the disease; they found that orange peels improved the taste. Recalling that experience, in 1898 Fritz improved the taste of a strong but nasty-tasting cough syrup, introduced Sirolin, and soon the company's sagging fortunes were reversed. Such was the base of one of the great pharmaceutical houses of the world. Today Hoffmann-La Roche has sales of $5.5 billion.

Fritz married Adèle La Roche in 1895, the sister of a close friend. When Fritz died in 1920, the bulk of his estate appears to have gone to one son, Emanuel, who married a Basel society girl, Maja Stehlin. They had two sons and a daughter. Emanuel died in a car crash in 1932.

His widow, Maja, was remarried two years after his death, to Paul Sacher, a conductor and local celebrity ten years her junior, who had founded Basel's chamber orchestra and a special school for the study of music. Today the Hoffmann-La Roche family descendants own an estimated $1.6 billion of the voting shares, plus an unknown number of bearer shares; of that, Paul and Maja are said to control the bulk.

One of the world's great music patrons, Paul Sacher has commissioned all of today's major composers. Any Stravinsky mementos that come onto the market are usually snapped up by the Paul Sacher Foundation. Sacher knew Stravinsky and bought the composer's archives for over $5 million in 1983. He has since built a research institute to house the collection in Basel. Paul is now 81, his wife, 91; there are no children from the marriage. But there are Maja's children and grandchildren from her first husband, Emanuel Hoffmann-La Roche. They stand to inherit—provided the fortune doesn't go to charity on the couple's passing.—**Richard C. Morais**

THOMAS AND STEPHAN SCHMIDHEINY

Just Two Solid Swiss Citizens

Jacob Schmidheiny (1838-1905), son of a shoemaker, started this family's wealth with a small brick factory in Heerbrugg, a village in eastern Switzerland. From that, four generations of industrialists have created an empire that has become an important part of the Swiss economy. Rather than squander money or idly keep cash in the bank, the Schmidheinys take risks and plow money back into new businesses.

Old Jacob divided his fortune between his two sons, Ernst and Jacob II. Ernst joined the family business after

Daniel Boschung KEY color

Thomas and Stephan Schmidheiny

World War I, increased the family construction holdings, but died in 1935 when his plane crashed in Egypt. His two sons, Ernst II and Max, found that they had inherited a dangerously overleveraged conglomerate. The company's credit was cut off by the banks shortly after the brothers assumed control.

Max and Ernst II turned the family company around, however, and in their turn added to it. Max stepped down for his two oldest sons, Thomas and Stephan. Following the Schmidheiny rule, meant to keep family squabbling to a minimum, each son received a large domain over which he has absolute control. (Another son, Alexander, has little to do with the family business.)

Thomas, 42 and interested in politics, now runs Holderbank, one of the world's largest cement companies. Stephan, a 40-year-old lawyer, runs a private holding company invested in banks, real estate, retailing and construction materials—though he has diversified away from the cyclical construction business. The family holdings also include hotels and companies making precision measurement equipment and watches.

(There's another branch of the Schmidheiny family. Old Jacob's other son, Jacob II, begat son Peter who begat Jacob III. Jacob III, 44, and apparently not quite a billionaire, runs a construction materials company that competes against his two wealthier cousins', and meanwhile sits on a third family holding company with his cousin Thomas.)

While deliberately quiet and little known outside Switzerland, the two richest Schmidheinys follow the tradition of keeping a proper place in the Swiss community. Thomas represented his community and canton in local politics for 11 years and is a board member of Swissair and Crédit Suisse. Stephan, who recently made waves by buying with a partner a controlling share of SMH, the maker of Swatch, Omega and Tissot watches, is also the largest shareholder of Brown Boveri, the electrical engineering firm that is merging with Sweden's ASEA. Among other things, Stephan is a board member of Switzerland's biggest bank, UBS. Solid citizens, then. But even so, you would not necessarily realize that the two brothers together have a net worth in excess of $3 billion.—**Richard C. Morais**

France

SERGE DASSAULT AND FAMILY

How To Build A Jet Fighter

When Marcel Dassault died at 94 last year, his funeral service at Napoleon's tomb was worthy of a head of state. The father of French aviation, he was founder of Avions Marcel Dassault-Bréguet Aviation (which manufactures the famous Mirage fighter jets), a member of parliament until his death, and the richest man in France. Dassault's empire extended to publishing, entertainment, Paris real estate and electronics, plus a solid portfolio of U.S. stocks, including 1.5% of Boeing, recently worth about $120 million.

Dassault was born Marcel Bloch, the son of a Paris physician. An exceptionally talented aeronautics engineer, he designed his first aircraft for the French government during World War I. Bloch was born Jewish but converted to Catholicism and changed his name after surviving Buchenwald. He recouped from two complete nationalizations of his aircraft companies—during the Popular Front in the 1930s and after World War II.

Arnaud Borrel/Gamma Liaison

Serge Dassault

Dassault hired the best engineers in France, but to keep costs down he would improve on existing prototypes rather than design from scratch.

Cautious in aircraft development, Dassault was aggressive in U.S. stocks: When the Mirage F-1 lost a bid for a major arms contract to General Dynamics' F-16 in the mid-1970s, he reportedly acquired a huge block of his competitor's shares.

In 1981 he staved off yet another full nationalization by "donating" 26% of the family shares to the state. In exchange Dassault's heirs may not have to pay full inheritance taxes.

His family still owns just short of 50% of the company's stock. His widow, Madeleine, and two sons—the older Claude, who is mentally handicapped, and Serge, 62, who became chairman of Avions Dassault last October. With France moving away from nationalization of industry, Serge hopes to buy back some of the government's share in the company and restore the family's full control. Estimated family wealth comes to at least $1 billion, not counting extensive Paris real estate.—**Diana Fong**

LILIANE BETTENCOURT

From A Tricycle, Suntan And Hair

The heiress to the L'Oréal fortune lives quietly in a mansion in a fashionable suburb of Paris with her husband, André, a former government minister and holder of the Croix de Guerre, amid her Art Deco furnishings. On her living room wall hangs one of Monet's more famous paintings of water lilies.

Meanwhile, the hair-coloring and cosmetics company that was founded in 1907 by her father, Eugène Schueller, and controlled now by Liliane Bettencourt has beaten out Avon, Revlon and Japan's Shiseido to become the leading cosmetics company in worldwide sales.

Since the time Eugène Schueller concocted a chemical hair dye in his kitchen sink and peddled it around Paris on a tricycle, L'Oréal has been more research-based than its competitors. It has expanded from hair products into skin care and other cosmetics, then later pharmaceuticals. Schueller, who was chairman of the company until his death in 1957, had a knack for introducing new products at the right time, such as Ambre Solaire suntan lotion in the 1930s, when the French government gave in to workers' demands for paid vacations and people swarmed to the beaches.

R. Kalvar Magnum

Liliane and André Bettencourt

L'Oréal's Free Hold styling mousse, an alternative to hair spray, is the company's recent hit on both sides of the Atlantic. L'Oréal's North American licensee, Cosmair, which acquired Warner Communications' cosmetics division in 1984, has grown dramatically over the past four years. Mme. Bettencourt also owns 25% to 30% of Cosmair.

In the past five years L'Oréal stock has jumped at least four times in value on the booming Paris Bourse, making Mme. Bettencourt's 28% interest in L'Oréal, held through Gesparal SA, a holding company, worth $1 billion. Bettencourt once owned all of Gesparal. But François Dalle, L'Oréal's retired chairman, persuaded her to sell 49% to Nestlé in a complicated transaction for 4% or more of the Swiss company's stock. Bettencourt, reportedly, was trying to reduce her stake in L'Oréal so that her heirs (she has one daughter, Françoise) would not have to pay French inheritance taxes. L'Oréal denies this was her motive. Whatever the case, French inheritance taxes have since been abolished.—**Diana Fong**

SCHLUMBERGER FAMILY

Baku To Thank

They're quite a family. Dominique de Menil is the acknowledged doyenne of Houston society and a world-famous art collector. Jérôme Seydoux heads Paris-based aviation, shipping and industrial concern Chargeurs SA. Nicolas Seydoux heads Gaumont, France's largest film production and distribution company. The youngest Seydoux brother, Michel, heads his own film production and aviation company, with reported 1986 sales of about $100 million.

The family fortune traces to two brothers, Marcel and Conrad Schlumberger (pronounced Schloom-barezhay), geologists from German-occupied Alsace. In the 1920s they invented an electrical device to pinpoint the location of oil deposits—a process known as oil well logging. They set up a small family enterprise in Paris, and the first big customers willing to take a chance on their unfamiliar device

Gotta/Sipa

Jérôme Seydoux

Ginies/Sipa

Nicolas Seydoux

and large claims were the Soviets, who used the new technology to develop the Baku oilfields. Schlumberger Ltd., now a New York-based multinational, has been the world leader in its field ever since.

The family is well represented on the board but has otherwise been out of the firm for a long time. The basic decision was taken by Marcel's son Pierre in the 1950s: If Schlumberger Ltd. was to prosper, it must cease to be a family company and open the way for talent to rise from within.

Jérôme Seydoux, Marcel's grandson, was brought into the family firm in 1970 by the urbane, artistically inclined Jean Riboud, then chief executive. Handed an ailing French maker of electrical meters the company had picked up, Seydoux turned it around. Riboud rewarded him with the title of company president in 1975. There ensued, as Paul LePercq, a director and longtime intimate of the family, delicately described it to FORBES, "a situation full of subtleties . . . in France if you are president, you are Mr. Big. The title of chief executive does not exist." Family member or not, Seydoux, brash and outspoken, did not fit into the new Schlumberger mold. He was fired five months later, and went on to found Chargeurs, which is performing well on the Paris Bourse. "I'm not a fatalist. I believe in taking chances," he explains.

These and other heirs of the two brothers from Alsace have long diversified their interests and investments but still hold an estimated 20% to 25% of Schlumberger stock, recently worth less than half its peak value during the oil crisis but still over $2 billion.—**Diana Fong**

The Netherlands

DREESMANN FAMILY

Commerce And Literature

The Dreesmann family is important enough in Holland to draw tabloid headlines like "Dallas in Nederland." Its company is 100%-family-owned Vendex International, the Netherlands' largest specialty retail group, with 1,150 stores in Holland, holdings in five other countries and interests in everything from wine outlets to temporary help services. Its $9 billion world revenues and locally enormous collection of retail stores bulk large in a country as small as Holland.

Vendex began more than 100 years ago when Anton Dreesmann and his brother-in-law set up a small retail business bearing their names, Vroom and Dreesmann.

Today the company is headed by Dreesmann's grandson, Anton R.C. Dreesmann, 64, a doctor of both law and economics and a part-time professor at the University of Amsterdam. Professor Dreesmann is interested in art and literature but he doesn't scorn commerce. He had the foresight and financial adroitness to expand in the Dutch service industry and invest aggressively abroad. Since 1974 sales have grown from $400 million to the present $9 billion.

Ronald Hoeben

Anton Dreesmann

Among the many Dreesmanns in the present generation, Cecelia, the youngest sister, is the most notorious. Her romantic novel, *De Mandersens* (an anagram for Dreesmann), about a warehouse dynasty, is full of family quarrels over love and property. Rumor has it the novel is based roughly on actual Dreesmann goings-on.

Be that as it may, plans are afoot to take the company, now valued at a minimum of $1.5 billion, public before 1990.—**Patrice Duggan**

Sweden

HANS AND GAD RAUSING

They Remember Mama

Ruben Rausing, a Swedish merchant's son, went to study business on scholarship at Columbia University in 1918—and in his rented Model T Ford Rausing toured the country, where he contrasted America's gleaming store rows of prepackaged foods with Sweden's old-fashioned barrel and gunnysack unlabeled produce.

Rausing reluctantly returned to the university town of Lund, Sweden. But he remembered the packaging. In 1929 he cofounded a specialized packager—for flour, marmalade and sugar—and for years worked on inven-

Hans Rausing

Gad Rausing

tions and built several companies.

Around the end of World War II, Rausing, observing his wife making sausages in the kitchen one afternoon, admired the efficient way the meat was squeezed into the package skin and then pinched shut at both ends. He applied the idea to fresh milk, a major Swedish product with markets strictly limited by spoilage and difficult packaging problems, and came up with a low-cost, germ-free packaging system that would eventually eliminate the need for refrigeration in the store.

He founded Tetra Pak in 1951, and the family's first cream packaging machines began to whir one year later at the Lund District Dairy. "It was a very advanced concept at the time," son Hans Rausing tells FORBES. "We were the first in the world to apply plastic coatings to liquid packages."

By 1965 the Rausing family found itself sitting atop a small, unwieldy $40 million (sales) business empire of bank note dispensers, water purification equipment, paper mills—and Tetra Pak—all the things that had interested the founder in a lifetime of puttering and probing. "Around 1965 we said, 'What the hell are we doing?'" recalls Hans, now 61. "Our liquidity was not good. Our solidity was not good. So . . . we decided to sell everything."

Everything but Tetra Pak; Rausing invested the $13.5 million sale proceeds into it and snapped up minority shareholdings. "I would say the shareholders were very happy to sell out," recalls Hans. "At the time they felt Tetra Pak was a bit too adventurous."

Marcus Wallenberg, Sweden's most powerful industrialist and banker, didn't have those doubts. He had financed Rausing's specialized packaging company three decades earlier, and he backed Tetra Pak now.

Today Tetra Pak's cool, reserved chairman, Hans Rausing, is semiretired, a tax exile from Sweden living on his estate in England. His older brother Gad, 65, is an archeology professor at the University of Lund.

And Tetra Pak? With its narrow focus on liquid packaging and $2.6 billion sales worldwide, family-held Tetra Pak is worth—estimates *Affärs Världen*, a Swedish business journal, some $6 billion dollars.—**Lisa Scheer**

Spain

MARCH FAMILY

The Balearic Smuggler

The March Group, a respected Spanish industrial and banking empire, is headed by Carlos and Juan March. It owns 50% of Corporación Financiera Alba SA, a $1 billion (market capitalization) holding company with investment stakes in building materials company Uralita and brewer San Miguel, among others. Its fortune, worth between $1.2 and $1.5 billion, looms in the still relatively small Spanish economy. The March family is said to occupy an entire block in an exclusive residential neighborhood in Madrid. Outside inquiries are met with icy suspicion.

Perhaps this insularity is meant to distance the Marches from the origins of their fortune. Juan March, Carlos and Juan's grandfather, founded the house. Born in 1880 in Majorca into humble circumstances, he was considered the richest man in modern Spain. He made his first big money, according to published accounts, smuggling tobacco between Spain and North Africa to bypass the state tobacco monopoly. His profits went into real estate, banks, shipping and newspapers. March, although a book collector, never went to school and was illiterate most of his life.

Convicted for fraud during Spain's second republic, he switched his support to Franco's fascist counterrevolution and became known as Franco's principal financier.

With Franco in power, March could do pretty much as he wished. He coveted the Canadian-owned Barcelona Traction, Light & Power Co. Pleading depleted currency reserves, the Spanish government refused to hand over to the solvent utility the pounds sterling needed to make pound-denominated bond payments after the war. The bonds sank. March accumulated many of the bonds. In 1948 a group of March front men holding several of the bonds sued Barcelona Traction for not meeting interest payments. March eventually became sole owner

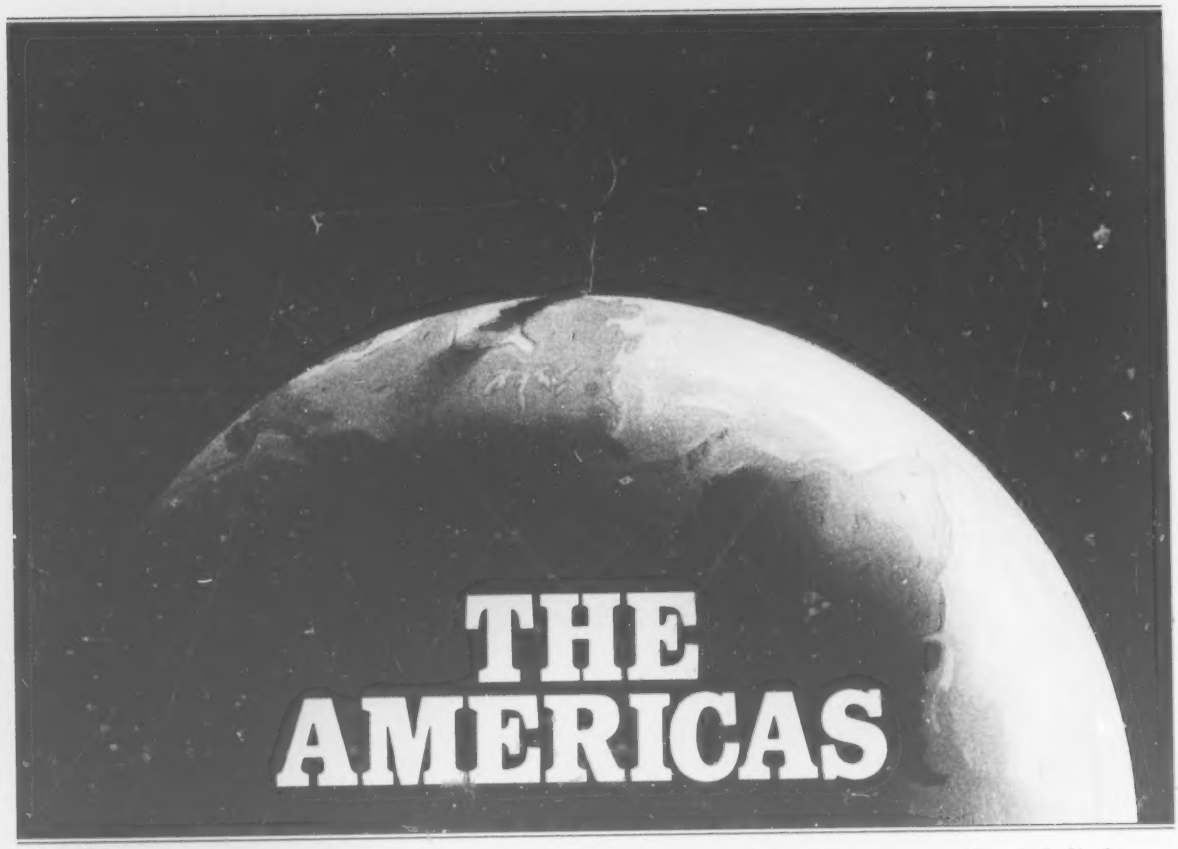
AGE/Wheeler

Carlos March

of what later became the center of his industrial empire. Now called Fecsa (Fuerzas Eléctricas de Cataluña SA), the Spanish utility really is nearly bankrupt. But the March Group sold off its stake years ago. Juan died in a car crash in 1962, leaving a huge property and a vile reputation.

"The family is very smart," explains one March Group expert. "They don't make noise."

No longer.—**Lisa Scheer**



Colombia

PABLO ESCOBAR-GAVIRIA

Chief Paisa

Escobar apparently made his way to the top of the cocaine cartel by shrewdly reinvesting his initial earnings and becoming a master of public relations in Colombia. He first attracted the attention of drug police in 1975 when he was working as a smuggler, enforcer and bodyguard. In the next two years he saved enough money to start his own business trafficking in cocaine. By 1978 he was moving about 35 kilos of coke a month out of Colombia's Medellín. A husky, 5-foot-6-inch man normally given to rugby shirts, chino pants and sneakers, Escobar is a prime example of a Colombian *paisa*—an aggressive, unsentimental country hustler.

With his increasing wealth, Escobar took over a Medellín newspaper, acquired influence in Colombian politics and successfully ran for public office, becoming an alternate to the national congress. He built a reputation as a Robin Hood by erecting housing for the poor, building 70 soccer fields and opening a zoo to the public. A member of the U.S. Drug Enforcement Administration groused that the importing of exotic animals for the zoo seemed to have brought Escobar more trouble from the government than his drug business.

Currently, Escobar is wanted in the U.S. on charges in three federal indictments for cocaine marketing, money laundering and contract killing. Escobar denied all charges through an attorney. But he admits he had made an amnesty proposal on behalf of members of the cartel in 1984, when the cartel insolently offered to pay the Colombian national debt and retire in return for immunity. Prosecutors are not sure where he is and are not optimistic that he will be arrested and extradited. Officials believe he is in business as much as ever, but they say profit margins are declining with increasing supply and some evidence that demand is tapering off.

Lupe Sedina-Segura

Pablo Escobar-Gaviria

He has the largest share, estimated at 40%, of the cartel's business—indicating a cash flow to him alone totaling at least $3 billion over the years. Federal prosecutors who had him indicted in Miami don't know where he has hidden his wealth. But they see no evidence that he has squandered his huge earnings, either.—**David Henry**

OCHOA BROTHERS

Jorge's Bright Idea

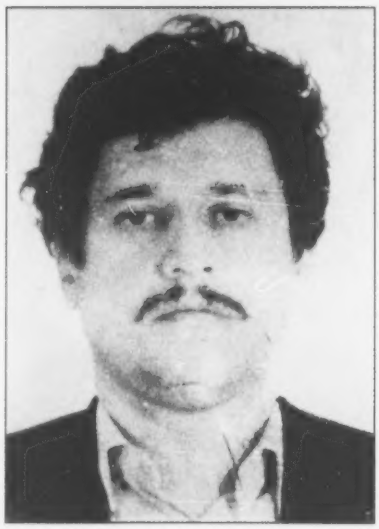
Jorge Luis Ochoa-Vasquez, the second of three drug-running sons of a Medellín restaurant owner, first took charge of a cocaine exporting business in 1977 by having his boss executed, according to a Drug Enforcement Administration agent. He and brothers Fabio and Juan David are believed to

be the second-biggest part of the Medellín cocaine cartel after Escobar, with about 30% of the business.

Jorge's contribution has been developing a distribution network in the U.S. Fabio moved to Florida to help establish the network and is believed to have personally run thousands of pounds of cocaine out of a house on a cul-de-sac in Coral Gables.

Jorge was also instrumental in the formation of the cartel itself. He convened Medellín cocaine dealers in 1981 for one of their first meetings. The initial purpose was to form a united front against revolutionary guerrillas who had kidnapped his sister, Marta, in hope of siphoning a ransom of drug profits. But a different idea emerged: The guerrillas soon released her and later formed an alliance with the cartel, in which they provided security services for money.

Soon the money poured in, and



Jorge Luis Ochoa-Vasquez

their father, an obese man known for wearing felt hats, turned over management of his restaurant to devote full time to breeding race horses; Jorge and his brother Fabio took to raising fighting bulls. By 1983 the family had also assembled a fleet of 55 aircraft, including jet-powered helicopters.

The Ochoas' attorney in the U.S., William Moran, argues the government's allegations are trumped up: "Jorge's position has always been that he is a rancher and farmer, and these suggestions of his involvement in the cocaine business have been greatly exaggerated."

But the Ochoas haven't been convincing. The U.S. Congress voted last fall to pay $500,000 for information leading to Jorge's arrest and conviction—a bounty believed the largest in U.S. history. This comes after his indictment in 1984, which alleged that his next bright idea was to try to set

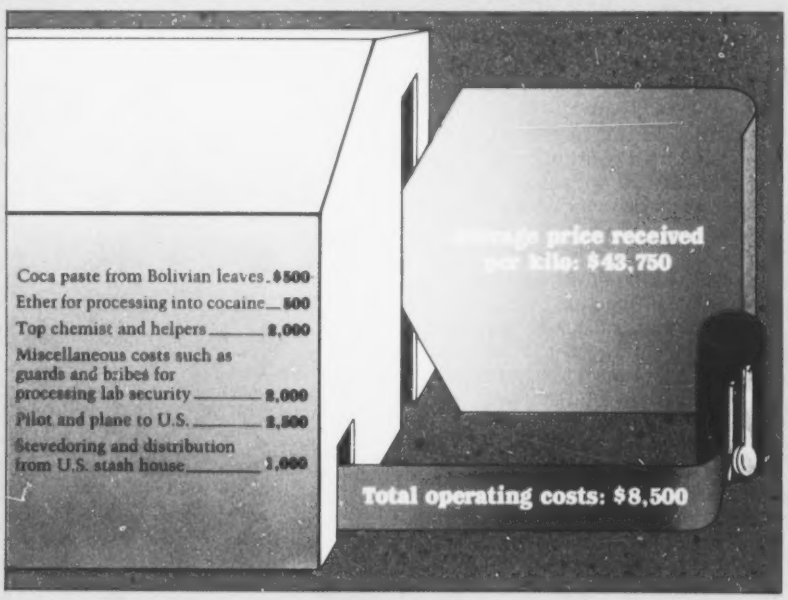
How to make $7 billion in 7 years

The Medellín cartel's estimated revenues have exceeded $3 billion a year. For which the notorious cocaine cartel has murdered nearly half of Colombia's supreme court, more than two dozen other judges, the nation's minister of justice, the editor of Colombia's second-largest newspaper, hundreds of police officers, wives, children and bystanders both there and in the U.S. The fear in Colombia is so pervasive that many lawyers refuse judicial appointments. When Colombian judges sign extraditions to the U.S., they in effect sign their own death warrants.

Recently the supreme court in Colombia actually declared the extradition treaty unconstitutional. The press there is so intimidated that it is the *Miami Herald* that has become the most complete public source of information on the cartel.

It is known as the Medellín Cartel for Colombia's second-largest city, its base of operations, believed by experts to be the source of about 60% of the cocaine sold in the U.S. The cartel buys the coca paste, runs processing labs and arranges transportation by outside subcontractors with boats and planes to its own U.S. "stash houses"—typically normal-looking middle-class residences. There the cocaine is usually sold in lots of 10 to 100 kilos to U.S.-based dealers who move the drug to the street, repackaged and diluted, at the equivalent, on average, of $176,000 a kilo. Over the years revenues to the Colombians have ranged from $12,000 to $55,000 a kilo. Profits have been tremendous. Its costs, at most, amount to $10,000 a kilo and are probably more like $7,000.

But say cocaine costs $10,000 per kilo. Use conservative estimates of sales prices and unit volume. Make generous allowance for "extraordinary losses," like the recent seizure of a Colombian processing complex worth perhaps $200 million. The cartel still must have cleared at least $7 billion profit from 1981 to 1986, tax free. That can pay for a lot of death.—**David Henry**



up a processing complex for U.S.-bound cocaine in Nicaragua with the consent of the Sandinistas. Jorge was arrested in Spain on an Interpol warrant taken out by the U.S. But after lengthy and delicate negotiations, he was extradited—to Colombia, on a charge of smuggling bulls. After two weeks in a Colombian jail, he was suddenly released by a local magistrate. He has been free ever since.

The Ochoas have probably stashed away more than $2 billion among them, even net of bribes.—**David Henry**

Brazil

ROBERTO MARINHO SR.

Most Influential TV Viewer

Roberto Marinho, 83, often referred to as the most powerful man in Brazil, has played a dominant role in Brazil's communications for more than 60 years. Today he owns—and closely watches—Rede Globo, the TV network that commands 80% of Brazil's viewers and is the fourth largest in the Free World, surpassed only by the U.S. big three.

The Globo empire began when Marinho's father founded the Rio de Janeiro newspaper *O Globo*, now Brazil's largest daily. In 1925 Marinho went to work for his father as a journalist. Soon after, his father died, and in 1931 he took over. Early on, the paper became his political mouthpiece. In 1944 Marinho moved on to radio broadcasting, and in 1965, 14 years after TV had arrived in Brazil, he began building his television monolith. TV Globo began as a $4 million joint venture between Marinho and Time-Life. But in the 1970s new laws made it illegal for a foreign firm to own a Brazilian TV station. Marinho was forced to buy back Time's share.

To do so he mortgaged everything: his house, his art, his stocks, even the company buildings. It was so much that his son, Roberto Irineu Marinho, TV Globo vice president, once told *Advertising Age* that he had to cosign to prove his father was of sound mind. (Today he denies the quote.) But the network burgeoned spectacularly, along with the rest of Brazil, and today Marinho owns it all.

Marinho's power stems from his unabashed use of Globo as an even better political mouthpiece. "We give all necessary information, but our opinions are in one way or another dependent on my character, my convictions or my patriotism," he explains. After the 1964 military coup Marinho gave his full support to the junta for as long as it lasted, 21 years. How full? In 1984 a large demonstration in São Paulo against the junta coincided with the date of São Paulo's founding. Globo, straight-faced, reported the demonstration as a celebration of the anniversary.

Today Marinho supports the Sarney government. As the news airs, he watches with a telephone at his side, to call in his comments and complaints about the night's coverage.

Flavio Rodrigues/Editora Abril

Roberto Marinho Sr.

With estimated annual advertising revenues of $600 million, Globo has become a complex chain of 48 television stations (including affiliates) and 30 radio stations. Globo also sells programming to 90 countries, including mainland China, and recently bought 80% of Europe's Italian-language network Telemontecarlo. Marinho and his family also own finance companies, cattle ranches, shopping centers and one of the largest collections of art in South America. Although Marinho still works a full day, his three sons are well positioned to take over the reins of this expansive family empire, believed to be worth at least $1 billion.

ANTÔNIO ERMIRIO DE MORAES

Straight Man

Now 59, he is Brazil's perennial "Businessman of the Year"—elected eight times in a row in a Brazilian business magazine's annual reader poll—and has been described in the Brazilian press as a man of "unsurpassed ethics in business." An austere figure, known for his inattention to sartorial matters, Ermirio arrives at the office of his family company, Votorantim, by 7 each morning and doesn't return home until after 8 in the evening.

Votorantim, founded by his grandfather in 1918, is the largest industrial group in Brazil and its largest single private employer. Together with his brother José, the group's president (family members dominate the top of the company, but it is Antônio who calls the shots), director Ermirio holds close to 100 companies, with more than 60,000 employees and a net worth approaching $2 billion. A native of São Paulo, Ermirio was educated as an engineer at the Colorado School of Mines for a career in the family business, which is heavily dominated by aluminum, cement and zinc production.

Votorantim has always gone out of its way to avoid foreign investment or even direct foreign technology transfers. Ermirio says his company succeeded in part because of its Brazil-only policy, which keeps the wealth at home. He ascribes its success even more to a practice of keeping his company substantially free of debt (8% of capital) despite traditional Brazilian hyperinflation. Instead, he plows cash immediately back into new produc-

Renato dos Anjos/Editora Abril

Antônio Ermírio de Moraes

tive assets. With investments of over $120 million last year, only one subsidiary took out a bank loan.

Ermírio has been drawn to public life, so far without much success. In 1982 Brazil was entering what was, at the time, its deepest monetary crisis. Ermírio publicly prescribed "austerity, parsimony and work" as the cure. A close friend of Brazil's recently deposed finance minister, Dilson Funaro, he is considered one of the fathers of the 1986 "Plano Cruzado," which tried to kill inflation through price and wage controls. This resulted in an eventual price explosion earlier this year and near chaos in the economy.

Last fall he took his economic and political prescriptions to the voters, running unsuccessfully for governor of São Paulo state on the ticket of the Brazilian Worker's Party, a party that has shed its onetime leftist ideological character and now mostly serves individualists coveting office, such as Ermírio. That defeat may or may not have cured his political ambitions. But for the time being he has returned to business as usual, living quietly in São Paulo with his wife of 34 years and four of his nine children, and turning up at the office again bright and early each morning. Business, perhaps, seems more rational than politics.—**Patrice Duggan**

SEBASTIÃO CAMARGO

It's Better Than Being Foreman

The son of a humble farmer, he never had more than a third-grade education. But in the Twenties and Thirties, as Brazilian modernism tore away at the established order, Sebastião Ferraz de Camargo Penteado rose from laborer to proprietor and thence to become one of the wealthiest men in Brazil.

Camargo was born in 1909 in Jaú, a small town in the interior of the state of São Paulo. While he was still a boy, Camargo left his father's farm to work for a construction firm as a laborer, but without education and social connections soon found he was unable to rise above foreman.

At 21 he stepped out and formed his own business. In the beginning, with ten employees, he was a subcontractor. But boosted by the post-Depression industrial expansion of the 1930s, high prices at home and economic nationalism throughout the 1940s and 1950s, Camargo expanded his construction company and diversified aggressively.

Today Camargo is the leader and principal owner of Camargo Corrêa, the second-largest industrial group and the largest construction operation in Brazil—with 33 companies employing some 33,000 people in civil construction, mining, reforestation, engineering and finance.

Camargo has been involved in some of the grandest and most notorious projects in Brazil. There was the building of Brasília, the nation's futuristic capital, which was constructed from scratch in the late 1950s in an area so desolate that, with no roadways, the first sacks of cement had to be flown in.

There was the construction of

Luiz Dantas/Editora Abril

Sebastião Camargo

the 1,967-mile-long TransAmazônica highway and Itaipu, which is one of the largest hydroelectric dams in the world. Only half completed, it has so far cost $11 billion and is considered a significant factor in creating Brazil's international debt.

Today, at 78, Camargo works a normal day, operating a business with a reported net worth of over $2 billion. He keeps a low profile and, unlike many of Brazil's business elite, has never run for public office. With Dirce, his wife of 41 years, Camargo has 3 married daughters, Rosana, Renata and Regina, and 11 grandchildren. All three sons-in-law work at Camargo Corrêa.—**Patrice Duggan**

Mexico

GARZA SADA FAMILY

Rockefellers No More?

The Garza Sada name commands more attention in Mexico than does Rockefeller in the U.S. For most of this century the Garza Sadas have been a leading example of Mexican business empires—built and maintained around family. Third- and fourth-generation descendants of the founders still control their four mammoth holding companies.

The clan began in 1890 in the northern city of Monterrey with the marriage of Isaac Garza to the sister of Francisco Sada. Their families had come from Spain, where they had converted from Judaism to Catholicism during the Inquisition. The brothers-in-law founded a brewery known for the Tecate, Carta Blanca and Bohemia brands—which can be found far north of the border.

Beer led to heavy industry. The family got into glass by making bottles for the beer. They started a packaging company to make boxes for the beer bottles. They turned to steel during World War II to ensure a supply of bottle caps. By the 1970s their children and grandchildren had developed four huge conglomerations of industrial and banking companies with factories and offices across Mexico (widely known south of the border as Alfa, Vitro, Visa and Cydsa).

Today, though, the family tradition has noticeably weakened. The result has not been good for the Garza Sadas. The family has grown with each generation, and divided. "Family deci-

sions" are a thing of the past, especially after the 1973 terrorist assassination of a leading figure of the second generation, Don Eugenio, a son of Isaac Garza. The component companies have often competed for joint venture partners, and lately cousins controlling individual conglomerates have been feuding in public.

As Mexico's economic problems deepened with the collapse of oil prices, certain indebted companies in the private sector suffered severely. Jealous of the growing power of the efficient private industries, the government bureaucrats used the crisis to undercut them. The very expansionist zeal that had served the Garza Sada companies so well during the boom now got them into trouble. Alfa, the huge steel and packaging combine, in particular was dangerously overextended. It bought companies left and right, entered joint ventures and built up existing businesses, mostly in capital goods. Sales increased by 950% during the 1970s.

When oil prices tumbled and the Mexican economy went to pieces—largely because of government waste, corruption and blundering—Alfa almost collapsed. Now bankers are taking ownership stakes, and family assets are a fraction of what they were at the beginning of the 1980s—still an estimated $1.3 billion.—**David Henry**

Bernardo Garza Sada

Canada

KENNETH ROY THOMSON

Doing It More Like Rapture

Kenneth's father, Roy Thomson, was the son of a Toronto barber and a brash and acerbic dealmaker who built a diversified international empire that now includes 60% to 75% of three of Canada's largest companies: Thomson Newspapers Ltd., International Thomson Organization Ltd. and Hudson's Bay Co. His and his family's net worth recently exceeded $5.4 billion.

Kenneth Roy Thomson

Kevin Fleming

Roy Thomson purchased his first radio station and newspaper in Ontario in 1931. In the 1940s and 1950s he pioneered an early version of the leveraged buyout, borrowing against target companies' assets and future profits to buy every paper he could that had a monopoly market. He then installed skilled management as needed, implemented a no-nonsense budget formula, and went on to the next newspaper. By 1953, when he resettled in Britain, where he had expanded his empire, as did a number of successful Canadians, Thomson was one of the most powerful men in Canadian publishing.

Known for his ribald manner and brusque style, he is credited with saying "the difference between rape and rapture is salesmanship." The Canadian barber's son was granted one of Britain's last hereditary peerages, becoming Lord Thomson of Fleet. He also befriended J. Paul Getty, who let him in for $5 million in a 1971 oil play in the North Sea. Soon the combine was pumping 100 million barrels a year and that alone put Thomson among the world's billionaires.

The present Lord Thomson, less colorful than his father, has been successful, too. He moved the family back to Canada, reduced leverage, and used the oil money to purchase ever more newspapers and other businesses. One Canadian in four now buys a Thomson-owned newspaper each day, and the chain reaches as far south of the border as Oxnard, Calif. Thomson also owns a small airline, a package-tour operator, and publishes *Jane's Fighting Ships*.

Thomson's only serious blunder, if it was one, was his 1979 purchase for over $400 million of Hudson's Bay Co. The 350-year-old retail chain that is the oldest continuing business enterprise in North America has lost money steadily since Thomson took it over, but there are signs that he is finally beginning to turn the company around.

"I always ask: Will the business be there in 50 or 100 years?" he remarked once, in a rare interview.

He is a quiet man said to be seen occasionally grocery shopping with his wife, his main extravagance a personal art museum off his Toronto office. Now 64, he has a son, David, in the business, fulfilling Roy Thomson's dying wish: that the Thomson empire be forever run by a male member of the family.—**Peter Fuhrman**

WESTON FAMILY

And It Is Around the World

The oldest among Canada's billion-dollar fortunes, the Westons' fortune dates back to 1882, when George Weston, an 18-year-old baker's apprentice, bought a bread delivery route in Toronto andbuilt a string of bakeries.

His son, Garfield, at his father's grave in 1924, swore, "I'm not going to build a costly monument to my father—I'm going to make his name

famous around the world," and went on a 50-year binge of acquisition and expansion worldwide. Now family-controlled George Weston Ltd., based in Toronto, is one of North America's largest bakers and supermarket chains and Canada's fifth-largest company. Family-controlled Associated British Foods, out of London, has restaurants and supermarkets across Europe and Australia. George Weston annual sales exceed $7.5 billion; Associated British, $3.5 billion in 1986. They were rationalized years ago by Garfield's sons, Galen and Garry Weston, two of his nine children. Galen, 47, has managed George Weston since 1970, when he left the comforts of the family's estates and polo ponies in England and Ireland to shape up the then-ailing operation. He sold three-quarters of the firm's supermarkets, and the slimmed-down company has prospered: Its stock price has more than doubled in the last three years. Garry, 54, who only occasionally visits Canada, launched in the 1960s what became Ireland's largest supermarket chain. It is now part of Associated British, whose parent company, George Weston Holdings, owns Fortnum & Mason, London's posh provision store. It also holds 16% of Clyde Petroleum, which recently discovered a large North Sea oilfield. In June 1986 Associated British sold its Fine Fare grocery chain for over $1 billion.

A large part of the family's investments are reportedly held by the brothers' teenage children and the family's secretive holding company, Wittington Investments. Taken together, the family has well above $1 billion. The two brothers make use of holes in both Britain's and Canada's reporting requirements to shield wealth. Their shyness is understandable: In 1983 six Irish Republican Army gunmen tried to kidnap Galen at his Irish castle. The plot failed, but the Westons have all but withdrawn from public view.—**Peter Fuhrman**

Garry Weston

Peter Redman/Financial Post

Galen Weston

PAUL, ALBERT AND RALPH REICHMANN

Maybe It's The Short Fridays

Hungarian-born refugees from Nazism, Samuel Reichmann and his six children fled to Morocco, before moving to Canada in the 1950s.

Thirty years laterRalph, 53, runs the original tile-import business, while Paul, 55, and Albert, 57, have built an empire with a net worth in excess of $6 billion. Their privately held company, Olympia & York, is North America's largest real estate developer.

Their real start came in 1965, when they paid bankrupt developer William Zeckendorf $25 million for some apartment buildings and an undeveloped lot in Toronto. Severing and selling a few lots recouped the purchase price, and they were on their way.

Steve Behal

Paul Reichmann

Today O&Y owns 8.5% of the premium office space in Manhattan. Much was bought as a local real estate depression drew to an end in 1977. The $350 million they invested then is worth over $3 billion now. Altogether, Reichmann-owned buildings, according to conservative estimates, are worth in excess of $8 billion, generating more than $800 million in cash flow annually. They have typically held debt at 40% of value.

But real estate is only the foundation. The Reichmanns have reinvested some of that cash flow elsewhere. They own 80% of Abitibi Price (the world's largest producer of newsprint), 75% of Canada's 20th-largest company (Gulf Canada Resources), more than 90% of Hiram Walker Re-

The Globe and Mail, Toronto

Canapress

Albert (above) *and Ralph Reichmann*

sources (another oil company), and 26% of the Bronfman-controlled developer (Cadillac Fairview) now being sold. Total family-controlled assets are $15 billion.

O&Y is 92% owned by the three eldest Reichmanns. Their mother, Renée, now 88, holds the honorary title of chairman of the board.

The Reichmanns, Orthodox Jews, have shunned the spotlight for most of their lives. But stories of their religious devotion are legion. The 10,000 construction workers who built New York's Battery Park City—home to American Express, Merrill Lynch and Dow Jones among others—were sent home each Friday at 2 p.m. for the Jewish Sabbath. The Reichmanns are extremely close and live within a few blocks of one another in a suburb of Toronto. They surround themselves with few of the trappings of wealth, and reportedly donate 10% of their income each year to Jewish charities.

Lately the Reichmanns have been planning to develop the new Madison Square Garden complex in New York as well as the $4.5 billion London Financial Center at Canary Wharf. They are also attempting to hedge their fortune by diversifying into oil and natural resources. So far their reputation as brilliant contrarians is under heavy test: They paid top-of-the-market for Abitibi, and they bought into oil before the 1986 collapse. Undeterred, they are developing the Beaufort Sea at huge cost for the 1990s—because the brothers are said to worry about the family's future prosperity.—**Peter Fuhrman**

CHARLES BRONFMAN

The Other Bronfman

Charles, 56, who comes from a family known for intramural strife, seems content to live quietly with his wife (they have two children), $1-billion-plus in Seagram stock, and other interests exceeding $300 million.

Charles can thank the temperance movement in the U.S. for his happy existence: Sam Bronfman, a Russian émigré, was a small-time liquor distributor and hotel owner in western Canada who made millions selling Canadian whiskey to an army of U.S. bootleggers during the Prohibition years. Like that renowned American rum-runner Joe Kennedy, father Sam tried to use bootlegging profits to buy prestige and political power. The business he built, Seagram, became one of the world's largest and most profitable liquor companies by his death in 1971.

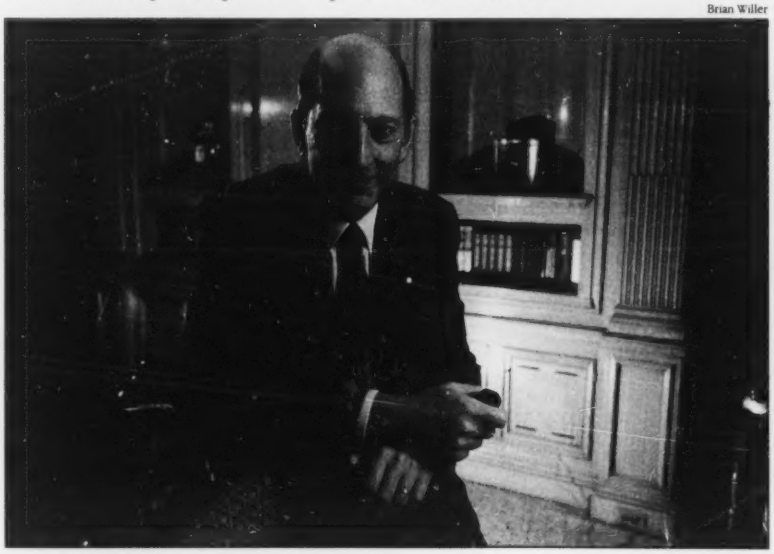
Charles and his Americanized brother Edgar, 58, are the two senior executives now at Montreal-centered Seagram & Co., Ltd. But Edgar, who works at the U.S. subsidiary in New York City, was always the more dominant. Charles prefers peace and quiet to Edgar's high-octane life, Montreal to New York. Charles is known both for his philanthropic activities and for his involvement in sports (he is principal owner of the Montreal Expos baseball team).

In addition to his 16.6% of Seagram, Charles Bronfman today controls 19% of Canada's fifth-largest brokerage house, McLeod Young Weir Ltd.

Then there is the family holding company known as CEMP (named after Sam's four children—Charles, Edgar, Minda and Phyllis), which is now being broken up. Sale of CEMP assets, including 40% of real estate developer Cadillac Fairview, should earn Charles another $200 million. The breakup of CEMP may have been triggered by Edgar Bronfman's attempt last year to declare his second son, Edgar Jr., the successor at the top of Seagram.

There is family precedent for Edgar's aggressiveness: Two Bronfman cousins, Edward and Peter, were forced by Sam to sell their Seagram shares at a below-market price of $15 million in the early 1960s. Like Edgar today, Sam evidently wanted to ensure his progeny alone would run Seagram. Undaunted, Edward and Peter have built a pyramid of leverage in Canadian companies, including giants Brascan and Noranda. All told, these "lesser Bronfmans" are worth perhaps half a billion together as a result, and control assets in excess of $75 billion. It will remain to be seen whether Charles' line will do as well.—**Peter Fuhrman**

Brian Willer



Charles Bronfman

Some people thought to be billionaires aren't. Others who once were are no longer. Plus a few who may hide it too well.

The ones we left out

The **Aga Khan,** spiritual leader of 15 million Ismailis, controls a business empire worth well over $1 billion, but only some $500 million of it appears to be his personal property. The rest is dedicated to the welfare of his religious followers.

The **Belzbergs,** the Canadian conglomerators and heavy players in the U.S. takeover game, have done well for themselves. But their empire is highly leveraged, and their interest in it is currently estimated at around $250 million.

Carlo De Benedetti, the head of Italy's Olivetti, also has his own extensive, personal business empire. His interest in it and Olivetti appears to be about $850 million.

Jean-Claude Duvalier, the exiled Haitian dictator, now lives quietly and luxuriously along the French Riviera. But estimates of how much he got out with range from $200 million to $900 million—and these may be high, Haiti being so poor a country.

Shaul Eisenberg, Israeli arms broker and middleman extraordinaire in international projects, has long been reputed to be worth many billions. But he is actually worth $500 million—$100 million in real estate, $150 million in Israeli companies and $250 million in securities and cash in Swiss and U.K. banks.

Fok Ying-tung, a.k.a. Henry Fok (rhymes with truck), is a partner with Stanley Ho *(below)* in the Macao gambling cartel. He, like Ho, is often thought of as a billionaire, but what's visible is perhaps half that.

Amalia Fortabat, Argentina's world-famous industrialist, socialite and art collector, is worth an estimated $750 million to $800 million.

Gonzalo Rodriguez Gacha, one of the principals of the Colombian cocaine cartel and currently a fugitive, had a smaller share than the Ochoas and Escobar *(see biographies).* It is not clear whether he has been able to rake off $1 billion—yet.

Sir James Goldsmith, Britain and France's (he holds dual citizenship) takeover artist, recently sold his stock in the main holding company of his empire for $300 million. Through his Brunerie Foundation, Goldsmith controls perhaps $200 million worth of timberland and other assets.

Stanley Ho, the widely known head of the Macao casino cartel, turns out to have only a part interest. What is visible appears to be worth $200 million or so. He is known to have widespread holdings around the world, but their total value is far from clear.

Adnan Khashoggi, Saudi Arabia's world-famous arms dealer, was reputed last year to be the "richest man in the world." This year, after highly visible and embarrassing business reverses, Arab bankers are whispering that he has a negative net worth.

Carlos Lehder, junior member of the Colombian cocaine cartel, is now in Florida prison awaiting trial. If he ever accumulated $1 billion from the cartel, it is extremely doubtful that it has all stayed with him since his capture by police.

Costas Lemos, the secretive Greek shipping magnate widely considered the richest shipping tycoon of all, proved too secretive this year.

Stavros Niarchos, a better-known but still secretive Greek shipping magnate, is taken for granted as a billionaire. But proving that he is is another matter.

Fred Olsen, Norway's reclusive owner of Timex, shipyards, half a Canary island and other assets, was described as worth $1 billion about five years ago. He may have been then, but deep and repeated business reverses since have reduced the worth of his business empire, according to an inside source, to under $500 million.

Christina Onassis, Greek shipping magnate's daughter and heiress, may not even be a quarter-billionaire, thanks to the shipping industry's worldwide depression.

Harry Oppenheimer, South Africa's famous minerals magnate, owns stock in the family companies Anglo American Corp. and Minorco and a grab bag of other interests, largely South African. Once over $1 billion, they lately come to about $800 million, courtesy of the collapse in the South African financial rand.

The **Pesenti** family of Italy has vast interests through their holding company, Italmobiliare, including cement, forest product and steel companies. Estimated worth: in the neighborhood of $800 million.

Ghaith Pharaon, Saudi Arabian investor and financier now based in Atlanta, has given his bankers a personal financial statement fixing his net worth at $975 million.

The legendary **Rothschilds** are unquestionably vastly wealthy, but the several branches are well dispersed now, several generations after the original five brothers who bestrode Europe in the early 19th century. The extent of each branch's present wealth is unclear.

The **Thyssen** family, Germany's steel magnates, holds about 20% of Thyssen A.G. Ten years ago that was easily $1 billion, but years of bad results have pushed the stock down to a recent $400 million. The family—Countess Anita Zichy-Thyssen and her two sons, Claudio and Frederico—lives in Argentina.

Hans Vontobel, and his brother, **Hans-Dieter,** run their exclusive family bank, Bank J. Vontobel, from Zurich's Bahnhofstrasse. One of the last holdouts to go public amongst Switzerland's private banks, the brothers' holdings are estimated at nearly $750 million.

The **Wallenbergs,** Sweden's premier industrial and financial family power for generations, are merely ordinary rich in their own right. Their vast corporate empire and the power that goes with it is controlled through a series of charitable foundations and investment companies, not through personal ownership. ■

And what of the Krupps?

Arndt Krupp von Bohlen und Halbach, the last of the German gunmaking family, had the dubious distinction of being Hitler's honorary godson. It was in their close ties with the Third Reich that the Krupps wrote the most infamous chapter in their long history. In 1906 Gustav von Bohlen und Halbach became head of the family when the Prussian diplomat married the only Krupp heir, Bertha—she whose name was given to the giant Krupp cannon "Big Bertha" that bombarded Paris in World War I. Gustav eventually became, in the words of fellow steel baron Fritz Thyssen, "a super Nazi."

During the war Krupp used slave labor, including women and children, to make the Third Reich's guns, ammunition and tanks. The appalling conditions at Krupp plants rivaled those at the concentration camps.

After the war Gustav, by then almost senile, escaped imprisonment, but his son, Alfried, who had taken over in 1943, was convicted of war crimes in 1948. Released three years later, he retrieved the family business and set out to find a Mr. Clean as chairman.

Enter Berthold Beitz, a supervisor of oilfields in southeastern Poland during the war, who had saved thousands of Poles and Jews from the death camps with token jobs. Beitz restored the company to prominence, reducing its dependence on the steel industry and diversifying into heavy engineering, shipbuilding and trading. Today, 75, he still runs Friedrich Krupp GmbH.

And what of the family fortune? In 1966 Alfried's only son, Arndt, renounced his inheritance, though not the bequest by his father that yielded him $900,000 a year to live on, and refused to have anything to do with the company. He even dropped the Krupp name. His father, Alfried, bowing to the inevitable, set up a foundation to hold his estimated $3.5 billion fortune, and died the next year, 1967. Arndt led a dissolute life, jetting between Palm Beach and Europe with his constant male companion, and died last year without issue, of a heart attack, at the age of 48. *Sic semper tyrannis.*—**Edward Giltenan**

Harry Benson

Arndt Krupp von Bohlen und Halbach
The end of the line.

Did Czar Nicholas quibble with Carl Faberg over the price of eggs?

When you are dealing with something quite extraordinary price somehow seems irrelevant or even irreverent. Indeed, for those who appreciate fine Scotch, Johnnie Walker Black is priceless.

Johnnie Walker Black Label Scotch
YEARS 12 OLD

What is the owning of a bank compared with the nationalizing of a bank?

Now for the world's really rich

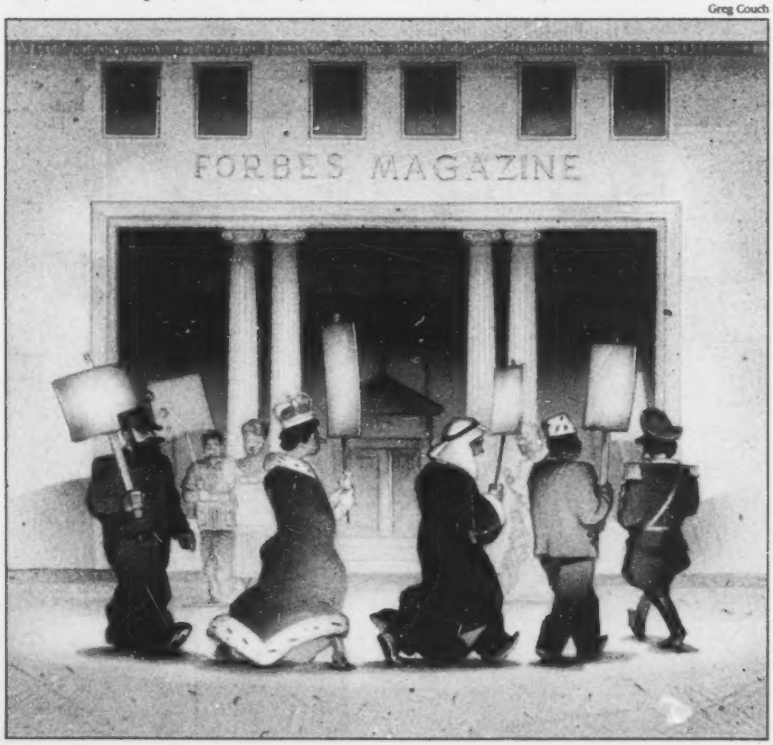
By Allan Dodds Frank

REMEMBER SATIRIST Mort Sahl's joke about being washed up at 35? "Fidel Castro just turned 33, and he already owns a whole country," moaned Sahl.

Well, that's a major problem with calculating wealth in much of the world. What's mere personal net worth compared with a dictatorship? Never mind that the dictator presides over a sick economy. It's questionable, for example, whether any of our world billionaires live on anything as lavish a scale as North Korea's Marxist dictator Kim Il Sung. Kim, 75, has reputedly built a castle to house all the gifts his 20 million enlightened subjects have thrust upon him.

The 96 billionaires on our list, as rich as they are, unlike Kim, don't have tanks and secret police and the headship of nation-states (nominal or otherwise) at their command. The billionaires may be able to buy power, but they rarely can shoot their way into it. (In fact, several of our billionaires might still be parking cars, rickshaws or camels but for their extremely lucrative connections with, and long-term kickbacks to, the people who do have the guns.)

Greg Couch



If we were to try to assay all the world's kings and queens and assorted dictators, in dollar terms the richest man in the noncommunist world would be King Fahd, absolute ruler of Saudi Arabia. Fahd's family has control of all of the country's 865,000 square miles not owned by others, and all the wealth on that land. That includes known oil reserves, currently worth about $1 trillion. The oil alone would dwarf the combined wealth of the 96 on our list. In second place, and arguably neck-and-neck with some of the top names in our billionaires survey, would be the Sultan of Brunei.

But a lot of assets controlled by rulers are often either not portable or not disposable, since they amount to the national heritage. That doesn't bother some rulers. Zaire's Mobutu Sese Seko reportedly has piled up $5 billion or more in his 22-year reign over 30 million people. To be on the safe side in case of exile, Mobutu reportedly owns residences in Belgium, France, the Ivory Coast, Monte Carlo, Spain and Switzerland.

Of course, there's Ferdinand and Imelda Marcos. They may never get their hands on the $5 billion to $10 billion—or maybe even $15 billion, according to the Philippines' principal investigator, Ramon Diaz—that they allegedly purloined in the Philippines.

Moving from the capitalist world to the glories of socialism, there is, again, North Korea's dictator, Kim Il Sung. Kim is not only good to himself, he is also good to his son, Kim Jong-Il. He allegedly let Junior kidnap two South Korean filmmakers to try to create a captive film industry.

Then consider Rumania's Marxist dictator, Nicolae Ceauşescu. The 69-year-old communist stalwart has ordered the razing of parts of historic Bucharest to accommodate the building of a civic center monument to himself, in keeping with road signs reading "Glory to the greatest Ceauşescu." Rumania's aged despot and his North Korean counterpart have one remarkable thing in common: They may both be Communists, but they also apparently both intend to be succeeded by their playboy sons.

Which makes even these bloody tyrants human. For what successful person doesn't want to see his kids carry on the line? ■

RANKING THE BILLIONAIRES

Family/*main source of wealth*

OVER $10 BILLION

Japan
Taikichiro Mori/*property development*
Yoshiaki Tsutsumi/*transport, hotels*

OVER $5 BILLION

Japan
Yohachiro Iwasaki/*logging, property*
Shigeru Kobayashi/*real estate*
Haruhiko Yoshimoto/*real estate*
Germany
Brenninkmeyer family/*retailing*
Sweden
Hans and Gad Rausing/*liquid packaging*
Canada
Albert, Paul, Ralph Reichmann/*real estate*
Kenneth Roy Thomson/*media, petroleum*

OVER $2 BILLION

Japan
Eitaro Itoyama/*property*
Konosuke Matsushita/*electronics*
Seijiro Matsuoka/*trading, real estate*
Yoneichi Otani/*hotels*
Keizo Saji/*liquor distribution*
Rinji Shino/*real estate*
Taiwan
Tsai Wan-lin/*insurance, construction*
Y.C. Wang/*plastics*
Saudi Arabia
Al Rajhi family/*money changing*
Germany
Karl Friedrich Flick/*finance*
Henkel family/*consumer products*
Reinhard Mohn/*publishing*
Rudolph August Oetker and family/*food, brewing*
Quandt family/*autos, industry*
Wilhelm and August Jr. von Finck/*real estate, banking*
Von Oppenheim family/*banking*
Prince Johannes von Thurn und Taxis/*land investments*
United Kingdom
Gerald Cavendish Grosvenor/*property*
Italy
Giovanni Agnelli/*autos*
Switzerland
Thomas and Stephan Schmidheiny/*industry*
France
Schlumberger family/*oil services*
Colombia
Pablo Escobar-Gaviria/*cocaine*
Ochoa brothers/*cocaine*

OVER $1 BILLION

Japan
Ken Hayashibara/*pharmaceuticals, biotechnology*
Kanichiro Ishibashi/*rubber*
Masatoshi Ito/*retailing*
Genshiro Kawamoto/*real estate*
Kiyofumi Moroto/*forestry, real estate*
Masao Nangaku/*property development, electric retailing*
Masahito Otsuka/*pharmaceuticals*
Kiyoshi Sagawa/*delivery service*
Takeo Shigemitsu/*candy making, retailing*
Hirotomo Takei/*publishing, real estate*
Renichi Takenaka/*construction*
Shoji Uehara/*pharmaceuticals*

Family/*main source of wealth*

Hideki Yokoi/*clothing manufacturing, real estate*
Korea
Chung Ju-yung/*heavy industry*
Lee Byong-chull/*trading, retailing, consumer electronics*
Taiwan
Chang Yung-fa/*shipping*
Hong Kong
Cheng Yu-tung/*jewelry, property development*
Kadoorie family/*utilities, hotels*
Kwok Tak-seng/*property development*
Lee Shau-kee/*property development*
Li Ka-shing/*property development*
Sir Yue-Kong Pao/*shipping, property development*
Singapore
Lee family/*rubber trading, banking*
Indonesia
Liem Sioe Liong/*trade, industry*
Australia
Robert Holmes à Court/*corporate raiding*
Kerry Packer/*media*
India
Birla family/*textiles, aluminum, autos*
Saudi Arabia
Bin Mahfouz family/*banking*
Juffali family/*construction, auto distribution*
Suliman Saleh Olayan/*construction*
Alireza family/*autos, finance*
Kuwait
Al-Ghanim family/*autos*
Lebanon
Rafik Bahauddin Hariri/*construction*
Safra brothers/*banking*
Germany
Erivan Haub/*supermarkets*
Grete Schickedanz/*mail order*
Werhahn family/*retailing, brewery, banking*
United Kingdom
Robert Maxwell/*publishing*
Sir John Moores/*retailing*
David J. Sainsbury/*supermarkets*
Sir Adrian and John Swire/*Far East trading, airline*
Samuel, Lord Vestey and Edmund Vestey/*meatpacking*
Italy
Benetton family/*clothing*
Michele Ferrero/*candy making*
Ferruzzi family/*agricultural conglomerate*
Salvatore Ligresti/*construction, insurance*
Switzerland
Maja Sacher-Stehlin and Paul Sacher/*pharmaceuticals*
Baron Heinrich Thyssen-Bornemisza/*finance*
France
Liliane Bettencourt/*cosmetics*
Serge Dassault and family/*aircraft construction*
Netherlands
Dreesmann family/*retailing*
Spain
March family/*banking, industry*
Brazil
Sebastião Camargo/*construction, industry*
Antônio Ermirio de Moraes/*mining, industry*
Roberto Marinho Sr./*media*
Mexico
Garza Sada family/*beer, steel, packaging*
Canada
Charles Bronfman/*liquor*
Weston family/*supermarkets*

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ACKNOWLEDGMENTS

This special report on world billionaires was edited and supervised by Senior Editor Harold Seneker. He prepared for the task of finding and verifying information about great wealth over the past six years by editing our annual Forbes Four Hundred—the richest people in the U.S. In the present task he had support from a number of FORBES staffers. Senior Editor Jean A. Briggs marshaled a phalanx of reporters for research, writing, checking; many of their bylines appear on individual vignettes. Much background was provided by Anne Mintz, director of information services, and her specialists, Adele Bendes, Cynthia Crystal, Janet Coleman, Clarita Jones and Naomi Prall, who identified sources and documents from around the world. Freelancers Sarah Baker and Ian Hersey scoured libraries, files and consulates. Reporter Claire Poole was so effective in eliminating near-billionaires she did herself out of a byline. Our bureaus in London and Tokyo made major contributions, as did William P. Barrett of our Houston bureau, a onetime Middle East correspondent who helped identify possessors of fortunes in that part of the world. Finally, it all came together at our art department, copy desk, proofroom and photocomposition—team efforts of the highest order gratefully acknowledged here.

COMING SOON: The Forbes Four Hundred—the 400 richest people in the U.S. Dated Oct. 26, our sixth annual compilation of U.S. wealth will list the four dozen or so individual Americans who qualify as billionaires.

Some will go by force, others by choice, but closed-end managers are finding a quick cure for those chronic discounts.

Investor bites sleeping dog

By Richard Phalon

THE YOUNGEST son of the famous T. Boone Pickens, T. Boone Pickens III, likes to think of closed-end investment companies as "sleeping dogs." Pickens, 30 and as fervidly entrepreneurial as his father, is not one to let sleeping dogs lie. Along with allies at Sterling Grace & Co., a Manhattan brokerage, he just helped to nudge one of the great investment company success stories—the $700 million Japan Fund—from closed-end to open-end status. The transition wiped out the discount of at least $150 million between net asset value and market value at which the fund had been trading.

For Pickens and his allies, Oliver and John Grace, that meant a quick profit of at least $10 million. But all of the fund's shareholders also benefited, which helps explain why something of a countermovement is coalescing around closed-end discounts.

There have been at least five open-endings in the last decade. But the pace is speeding up. At the moment there are three working their way through the formalities, and more seem likely to follow. Significant (though not necessarily hostile) chunks of stock have turned up on the books of the France, Italy and Scandinavia funds, for instance. And there are more targets. Wall Street has pushed an incredible $12 billion of closed-ends out the door since January 1986, and most have sunk below issue price within weeks of being offered. Closed-ends trading at large premiums—the Taiwan Fund and the Malaysia Fund, for example—are rare. (A listing of closed-end discounts appeared in the Sept. 7 FORBES Annual Fund Survey. For more current figures check a Saturday or Monday paper.)

While Robert Theurkauf, president of the Japan Fund, now professes to be

Charles Thatcher

T. Boone Pickens III

When it comes to sleeping dogs, this apple fell close to the tree.

"delighted" with conversion, it seems unlikely the fund would have moved to eliminate the discount when it did without the implied threat of a takeover by the Pickens-Grace group.

Managers usually don't like open-ending. Yes, they concede, shareholders who elect to redeem will get full value for their money. But what about those who elect to remain? Redemptions shrink the fund, operating costs tend to increase proportionally, and then there is the tax liability on gains the fund had to take to raise the cash needed to meet the drain of redemptions.

That's the theory. What's the current reality, as measured by what is happening to the Japan Fund? The fund did have to get a lot more liquid. Between March and June of this year, its cash position rose from 2.9% to 22.9% of assets, but selling into the runaway euphoria of the Tokyo market this year was by no means a bad strategy. In fact, the fund began moving to protect its gains last year, well before open-ending pressures started to build, by cutting back its holdings in Japan's hard-hit export stocks.

As to redemptions, it's too early to tell. But it is also hard to detect any alarm in Robert Theurkauf's voice when he says, "They've been running about as expected." He won't give numbers.

Pickens contends that managers get too comfortable with the reasonably predictable flow of advisory fees generated by money locked up in a closed-end fund and don't want the threat of redemptions to disturb their peace and slumber. In an open-end, the fee base could shrivel rapidly, especially if the fund concentrates on some erratically voguish sector of the market. Not surprising, then, that many of the new closed-ends are set about with anti-takeover defenses (staggered boards, supermajority voting requirements) to keep the likes of Pickens at bay.

These defenses may make managements feel secure, but they do little for investors. "Which fund would you pay more for?" asks closed-end expert Thomas Herzfeld. "A fund where you are locked in with little likelihood of takeover, or one where you've some chance of rescue if things don't work out?"

The trend to voluntary open-endings suggests that some managers are beginning to see the light. Equity-Guard Stock Fund, for example, comes fully equipped with takeover defenses. But it is converting after little more than a year of life (and a 20% discount), says Pete Thomas, an adviser to the fund, "because it's the only way we have of maximizing shareholders' investment." Emerging Medical Technology Fund says the same. Which, of course, is just how smart investors have always seen it. ■

Stay put? Or take the money and run?

Past results do not bode well for the performance of funds after an open-ending.

Fund	Opening date	Assets[1] ($mil)	Annualized performance[2] fund	market[3]
Lord Abbett U.S. Govt Securities	7/78	$659	10.9%	11.1%
National Aviation & Technology	5/79	92	15.4	19.8
Stratton Monthly Dividend Shares	11/81	44	18.4	22.8
Phoenix Convertible	3/82	156	22.5	25.6
Nautilus Fund	4/85	21	2.5	28.8

[1]At 6/30/87. [2]From opening through 6/30/87. [3]For Lord Abbett U.S. Govt., market index is Merrill Lynch corporate/govt. index. For all other funds, market is S&P 500 stock index.

Ballantine's
FINEST BLENDED SCOTCH WHISKY

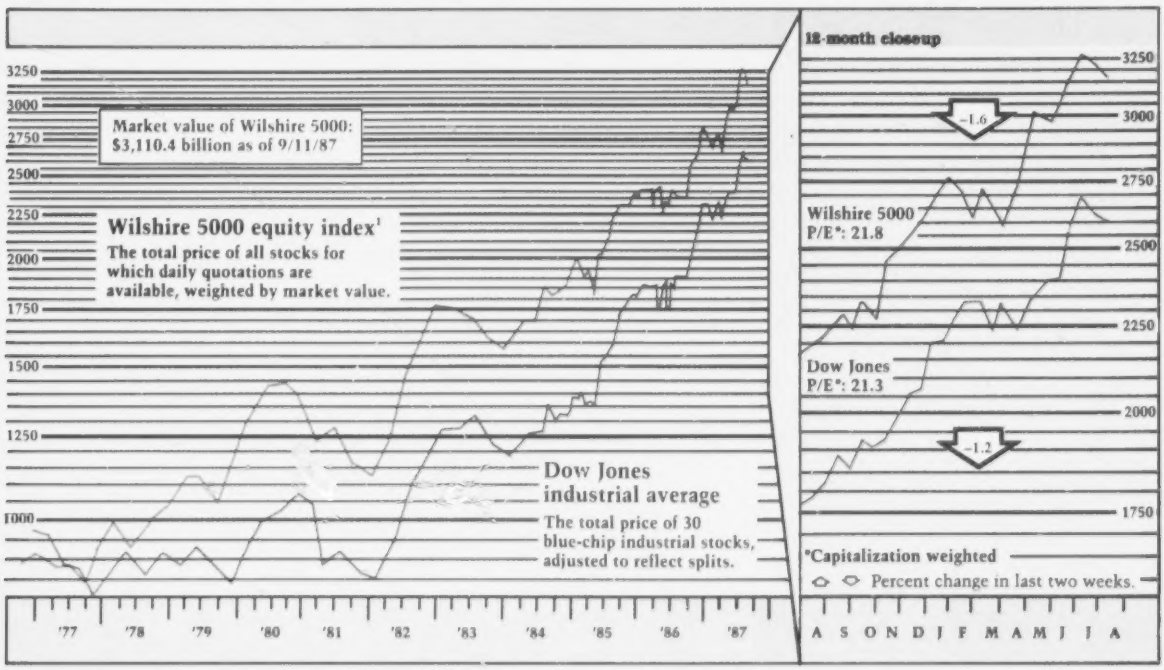
"I don't know how it happened. My son calls from school saying he's picking up a golf course this semester, the next thing I know, I own Pebble Beach. Luckily Ballantine's is still a good value."

The more you know about Scotch, the more you like Ballantine's.

Blended Scotch Whisky. 86 Proof. Bottled in Scotland. Imported by "21" Brands, Inc., New York, NY. © 1987

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Big stocks were bruised while many secondary stocks were barely touched by Wall Street's selling spree. The 30 Dow industrials declined 2.9% and the NYSE was off 3.6% in the four weeks ended Sept. 11. The Amex, by contrast, was off only 2.4%, and the Nasdaq was off just 1.2%. Overall, the big-capitalization shares drove the Wilshire index of 5,900 stocks to a 3.2% decline.

Riskier stocks held up surprisingly well. The yardsticks below show that very-high-volatility issues rose 2.1% in the last four weeks, while low-volatility shares were off 1.3%. Low-yield, high-growth and low-priced stocks all closed in positive territory.

The current market is far from cheap, even though the price-to-earnings multiple for the market fell over a point, to 21.8. Security analysts have been telling investors that earnings will grow sharply in 1988. If the analysts are correct, the market isn't overpriced. But there is reason to worry about analysts' overoptimism (FORBES, *June 1*).

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	-3.2	-3.7	-2.9	-3.6	-2.4	-1.2
in last 52 weeks	35.1	35.7	48.3	35.5	38.0	28.7

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	-3.2	1.7	2.1	-1.3	-0.5	-1.0	-2.9	1.9	2.2	-2.3	-2.3	0.9
in last 52 weeks	36.2	54.8	82.4	26.5	37.8	22.4	12.8	74.3	79.9	23.2	32.8	47.4

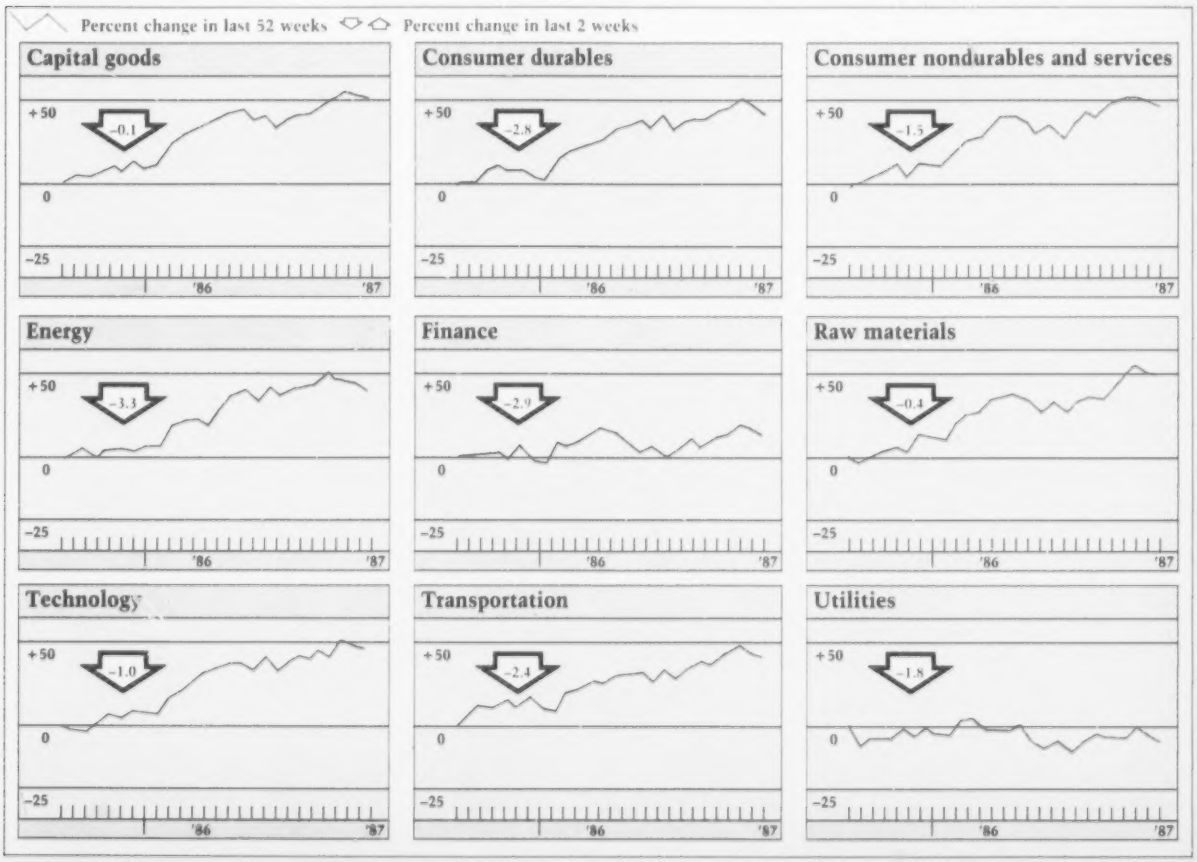
[1]Wilshire index reflects price performance; it differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations; low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 9/11/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gus French

Where the Action Is

The dollar's weakness sparked fears that foreign investors would pull out of the U.S. Such fears are now at least partially justified. The resilience of secondary issues dampened some of the losses from blue chips but couldn't prevent all nine sectors from following the Wilshire index into the loss column. The capital goods sector, however, closed the period with only a small decline. Heavy equipment manufacturers, such as Caterpillar, Clark Equipment and FMC, bucked the overall market. Such firms continue to profit from the falling dollar as well as the cost-cutting and restructuring done when they were losing sales to foreign manufacturers. Other stocks that gained when the market was falling in September: National Semiconductor, Food Lion and Bell & Howell.



What the Analysts Think

This is the time of year for analysts to pull in their horns. The Institutional Brokers Estimate System reports that for every 100 estimates for 1987 that were recently raised, 122 were lowered. Comparatively speaking, however, that looks optimistic. One year ago, for every 100 estimates that were raised, 200 were lowered.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.35	20.9
1987 estimates	2.98	16.5
1988 estimates	3.85	12.7

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Raw materials	$2.31	18.2	0.88%	0.81%
2	Energy	2.59	18.4	0.78	1.20
3	Capital goods	2.21	20.3	0.38	0.03
4	Consumer durables	4.24	14.3	0.25	1.07
5	Consumer nondurables	2.32	18.7	0.03	0.11
6	Utilities	2.40	10.7	-0.01	0.00
7	Technology	2.48	18.5	-0.18	1.94
8	Transportation	2.22	16.6	-0.40	-0.70
9	Finance	1.76	19.3	-2.25	-8.92

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York–based brokerage firm.

Note: All data for periods ending 9/11/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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OCTOBER 19 1987 THREE DOLLARS FIFTY CENTS

Forbes

STOCKS—
PHILIP FISHER ON INVESTING
WARREN BUFFETT ON PHIL FISHER

THE McKINSEY MYSTIQUE

IS IT WORTH THE PRICE?

IN CASE OF EMERGENCY BREAK GLASS

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Forbes

OCTOBER 19, 1987
VOLUME 140
NUMBER 8

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October 19, 1987 Volume 140 Number 8 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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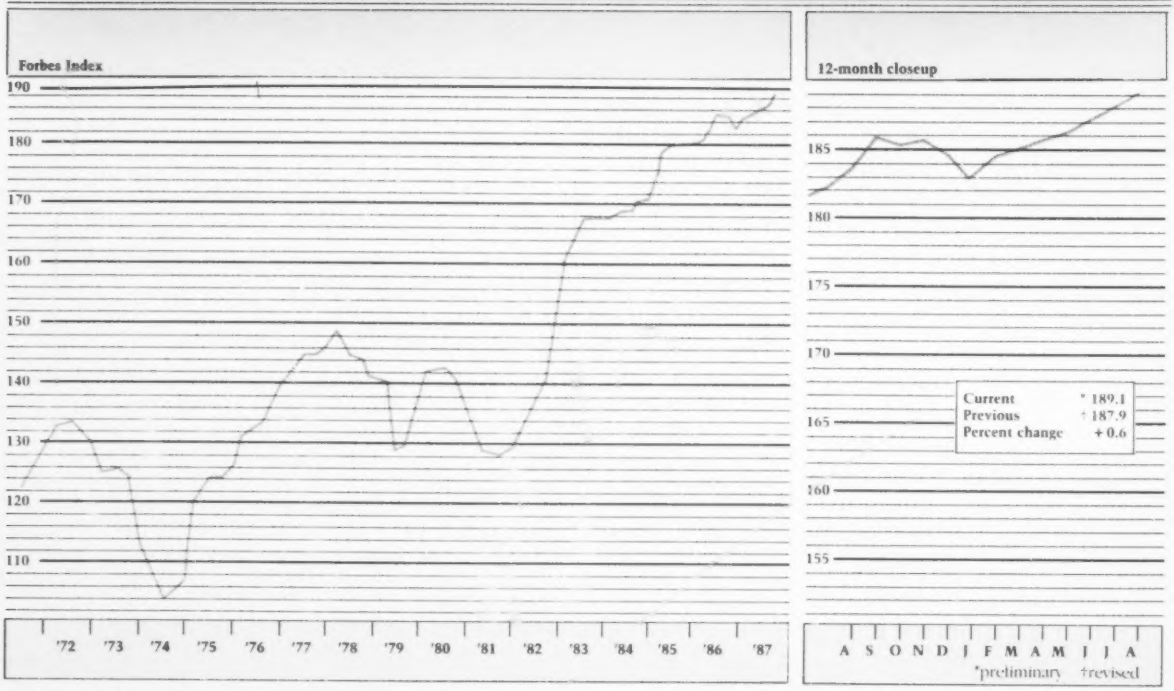
The Forbes Index



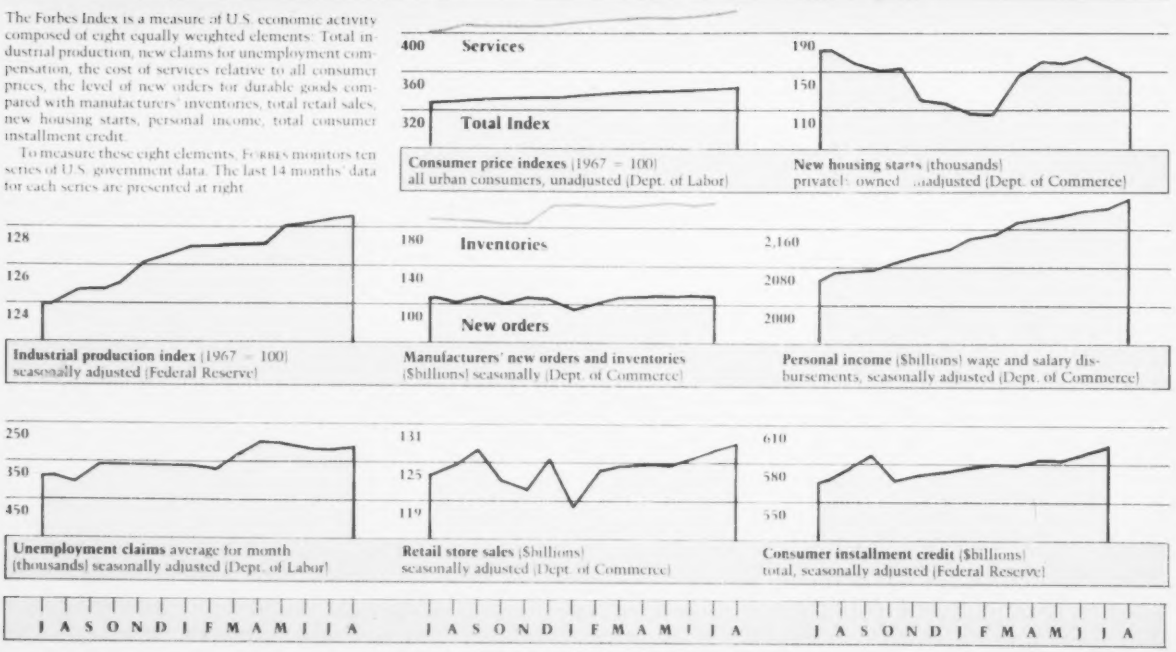
Where will we live? Rising mortgage rates continue to weaken the housing sector. The 12-month total of housing starts fell 1.2% in August. The number of new starts in August, 143,600, was the lowest total for this month in five years.

Despite the weakness in housing, however, The Forbes Index rose 0.6% on the strength of gains posted by other sectors. Retail sales increased 1.3% in August, the biggest jump in six months, to an annual $1.54 trillion. Consumer spending is likely to remain strong. Personal income rose 0.9% from July to August, to an annual rate of $2.22 trillion. Strong gains in the output of business equipment and consumer goods supported a 0.3% increase over the July figure for industrial production.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



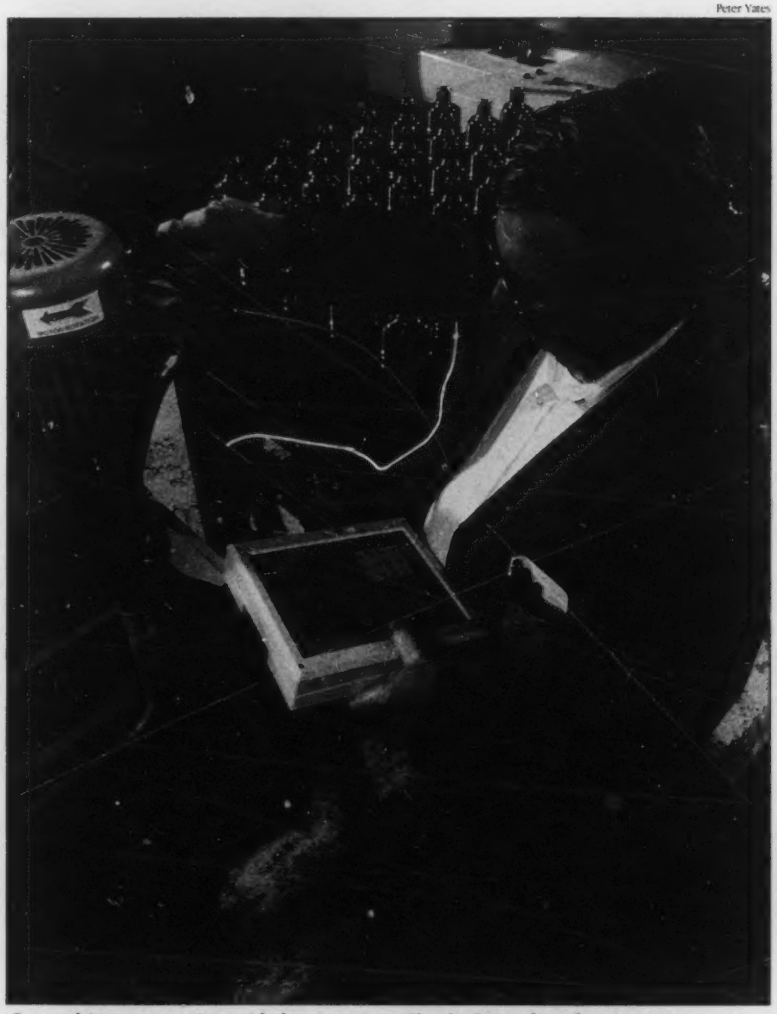
Science & Technology

Edited by Gary Slutsker

What happened to those "expert systems" that were supposed to transform the world of business forever? Expectations got way ahead of reality.

The morning after

Peter Yates



General Motors repairman helps computer Charlie listen for vibrations
Visions of computers that would run factories and design products.

By Ruth Simon

EVERY WORKING DAY for more than 20 years, ace manufacturing engineer Charlie Amble would drive the short commute from his Michigan home to General Motors' Saginaw plant. Once there, he would put down his lunch pail and pick up a headset. Attaching a series of sensors to lathes and grinders, Charlie would proceed to spend the day listening for vibrations that told him how well GM's machine tools were building axles and steering gears for its cars and trucks.

In 1986 Charlie Amble retired. General Motors replaced him with a computer that could "listen." So far, that device, dubbed "Charlie" in honor of the human it replaced, represents one of the automaker's few successful forays into the world of artificial intelligence.

Computer Charlie has been a relative success. But where GM has tried to use artificial intelligence to build huge, so-called expert systems, the company has come a cropper. So have most other big companies.

Expert systems, the most widely used commercial application of artificial intelligence, use inferential reasoning to draw conclusions from a huge knowledge base. But, basically, all companies involved in the development of expert systems have encountered one aspect or another of the same fundamental problem: how to mimic, electronically, creative qualities such as learning, invention, intuition or common sense.

Thus, Security Pacific Corp.'s attempts to build an expert system for foreign exchange trading have been stymied by the need to get the machine to evaluate qualitative information with emotional content, such as news stories. Is Paul Volcker replaced as head of the Fed? Do Iranian fanatics attack a U.S. Navy ship in the Persian Gulf? What these things mean to relative prices of dollars and yen differs according to circumstances so complex that no computer can be programmed to handle them. Computer Charlie's listening for vibrations is an infinitely simpler task.

Even seemingly trivial problems can foul up expert systems. Early field tests of a system designed to free Ford Motor Co. credit analysts from approving routine car loans flopped for lack of "common sense." Without human experience, the system had no reason to question an application from a 20-year-old who claimed ten years of work experience.

Another potential problem is the limited knowledge of an expert sys-

Overblown expectations

Expert systems software suppliers went public capitalizing on overheated investor expectations, which turned out to be impossible to deliver anytime soon. Now, industrywide losses have kept share prices of these publicly held firms at or below their initial offering prices.

Company	Went public	Initial offering price per share	Current price	Revenues ($thousands)	Net income ($thousands)
Transform Logic	9/83	$0.87	$0.87	$6,630	$–250*
ExperTelligence	11/83	0.10	0.02	850	–306†
IntelliCorp	12/83	6.00	5.62	20,352	–3,987
Symbolics	11/84	6.00	3.87	103,787	–25,544
Teknowledge	3/86	13.00	12.50	20,459	–2,822

*Fiscal year 1986. Fiscal year 1987 ends Oct. 31, 1987. †Fiscal year 1986. Fiscal year 1987 ends Sept. 30, 1987.

Science & Technology

tem. Concedes Stanford Professor Edward Feigenbaum, an artificial intelligence pioneer: "When you reach the edge of its expertise it falls off from very good to very bad."

Only a couple of years ago, seduced by visions of companies developing computer systems to run entire factories or to design whole new product lines automatically, investors poured $440 million into startup companies like ExperTelligence and IntelliCorp. Yet since then barely 100 major expert systems have been installed nationwide, mostly to handle such mundane tasks as production scheduling and equipment diagnosis. Meanwhile, the stocks of those once high-flying startups now trade at or below their initial offering prices *(see table)*.

For some venture capitalists, the words artificial intelligence have become a kind of curse. "A lot of investors learned about expert systems the hard way," says Thomas Farb, managing director of Lincoln, Mass.' AI Fund, a venture capital firm. In an effort to rub out all trace of its roots in artificial intelligence, one Waltham, Mass. firm, Natural Intelligence Corp., has lately even gone so far as to change its name to the vague moniker Event Technologies, Inc.

Successes for the infant industry have been few—and costs are high. Digital Equipment Corp. now spends $2 million yearly just to update a database of 10,000 logical rules used by its XCON expert system to help the firm's salesmen configure computer systems for various client applications. A moderate-size expert system, which would comprise maybe 300 rules, typically runs $250,000 to $500,000 just to design.

Fred Mertz

Lee Hecht of Teknowledge
"We didn't have a commercial product."

This spells bad news for the 100 or so firms that make up the expert systems industry. Sales of expert systems account for only a fraction of the revenues of giants like Xerox and Texas Instruments, but are vital to the survival of startups like Aion of Palo Alto, Calif., or Gold Hill Computers of Cambridge, Mass.

Blood is turning up on more and more income statements. The two leading expert systems software producers, Teknowledge and IntelliCorp, reported losses of $2.8 million and $4 million in the fiscal year ending June 30. A $25.5 million loss forced Symbolics, a manufacturer of artificial intelligence computers, to chop 17% of its employees and move from fancy new digs back into its original cramped Cambridge, Mass. headquarters. Meanwhile, Symbolics' arch-competitor Lisp Machines Inc. no sooner filed for Chapter 11 protection than the hardware manufacturer was acquired in June by a Canadian computer distributor.

"The expectations were Buck Rogers-like," confesses Lee Hecht, chairman of Teknowledge, one of the early expert systems pioneers, founded by 18 Stanford researchers. But once in business, the firm confronted a problem. "We didn't have a commercial product," says Hecht, who joined the company in October 1981, becoming the third chief executive in as many months.

What did Teknowledge do? As with many other companies in the same situation, its strategy has been to market the software needed to write artificial intelligence programs—sort of computer do-it-yourself kits for industry. The tool kits have not sold well. For one thing, they are both ex-

pensive and difficult to use. Most of the early programs were written in Lisp, a specialized computer language well suited to developing expert systems, but so extraordinarily complex as to require special computers and software interfaces to link up with a customer's existing computer system.

Jerry Peterson, Ford Motor's director of corporate systems development, complains: "The industry hasn't given us a way to develop and deploy these systems in a conventional data processing environment."

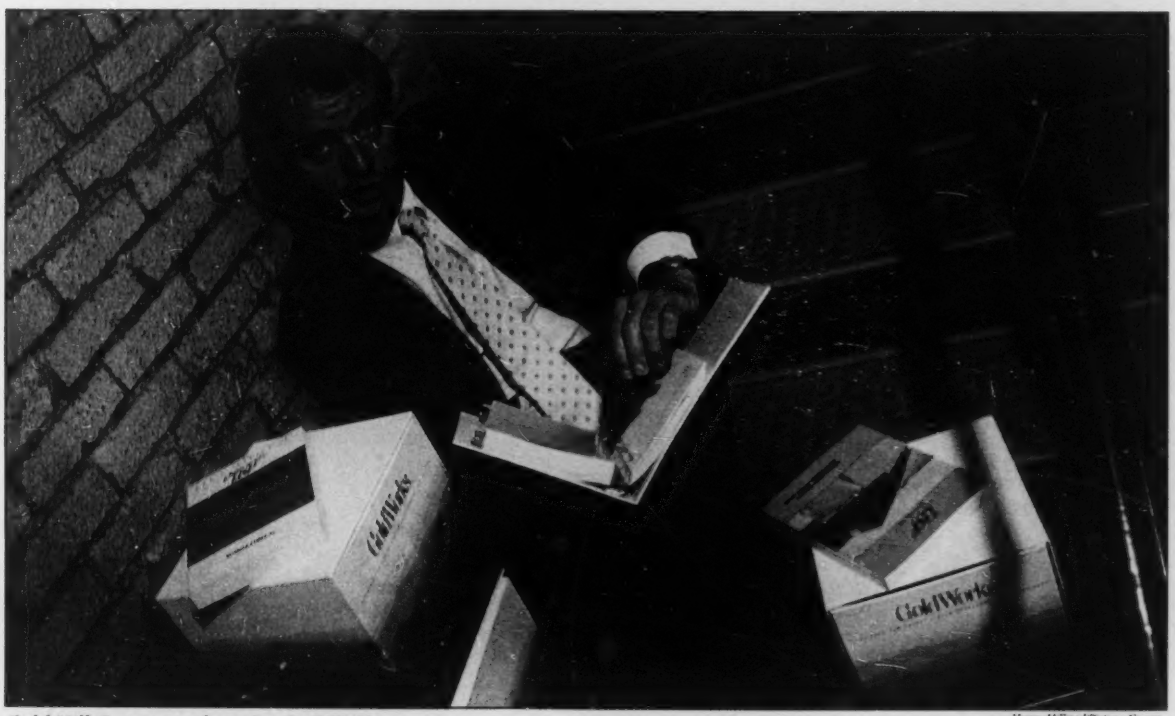
Harry Reinstein spent 22 years working in product development at IBM before founding Aion Corp., an expert systems software vendor based in Palo Alto, Calif. He reminds himself and his competitors: "A large segment of the commercial marketplace just doesn't want technology, it wants solutions."

Abandon hope? Not necessarily. While most of the industry is struggling, a few companies have spotted opportunities. Reinstein's three-year-old Aion, for example, develops non-Lisp software specifically for IBM computers instead of Lisp-based machines. Likewise, Gold Hill Computers became profitable in August by selling Lisp software for personal computers.

The challenge for the industry now is thus to stop dreaming of the ultimate payoff from artificial intelligence and start looking around for more such opportunities closer to home. When AT&T Bell Laboratories came up with an expert system for identifying chronic cable problems, the company sensed that it was onto something marketable, and has since sold the system to five regional Bell operating companies. Capitalizing on opportunities like that is where artificial intelligence's future really lies. ■

Ron Grant Tuss

Stanford's Professor Edward Feigenbaum
Can a computer respond emotionally when a U.S. ship is attacked?

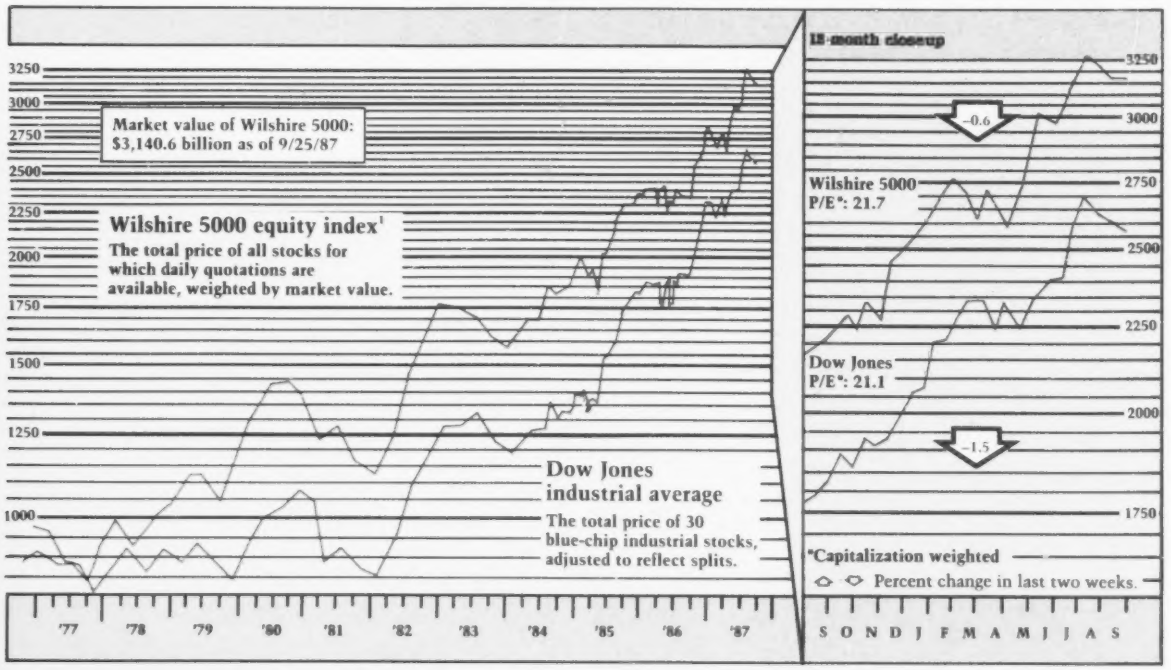


Henry Hilliard/Picture Group

Gold Hill Computers founder Carl Wolf
Customers want solutions, not technology.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



End of the correction? Could be. The Dow industrials had been off as much as 230 points from their late August all-time high. "There wasn't a lot of money coming out when the market was going down," says Steven Goldstein, a vice president at New York-based Knight-Ridder Tradecenter. Goldstein's firm measures money flow by taking stock price times volume on upticks and subtracting stock price times volume on downticks. On Sept. 22 the Dow posted a record 75-point advance, and this gain was generally sustained by trading during the rest of the week. According to Goldstein, the 75-point jump in the Dow also marked the fourth-highest peak in positive money flow into the market.

Although the market ended up in the loss column for the four-week and two-week periods, the major indexes finished the final week (ended Sept. 25) with small gains. The Dow was up 1.8%, the NYSE 1.6% and the Wilshire 1.3%. Both the Amex and the Nasdaq rose less than 0.3%.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–2.2	–0.8	–2.6	–2.1	–1.5	–2.5
in last 52 weeks	33.1	36.1	45.2	33.7	35.3	25.7

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–2.4	0.6	1.6	–1.4	–1.6	–1.8	–2.2	1.0	0.5	–1.5	–1.8	–0.3
in last 52 weeks	33.3	53.9	77.5	24.2	35.2	19.7	10.9	69.1	71.5	21.9	30.5	44.7

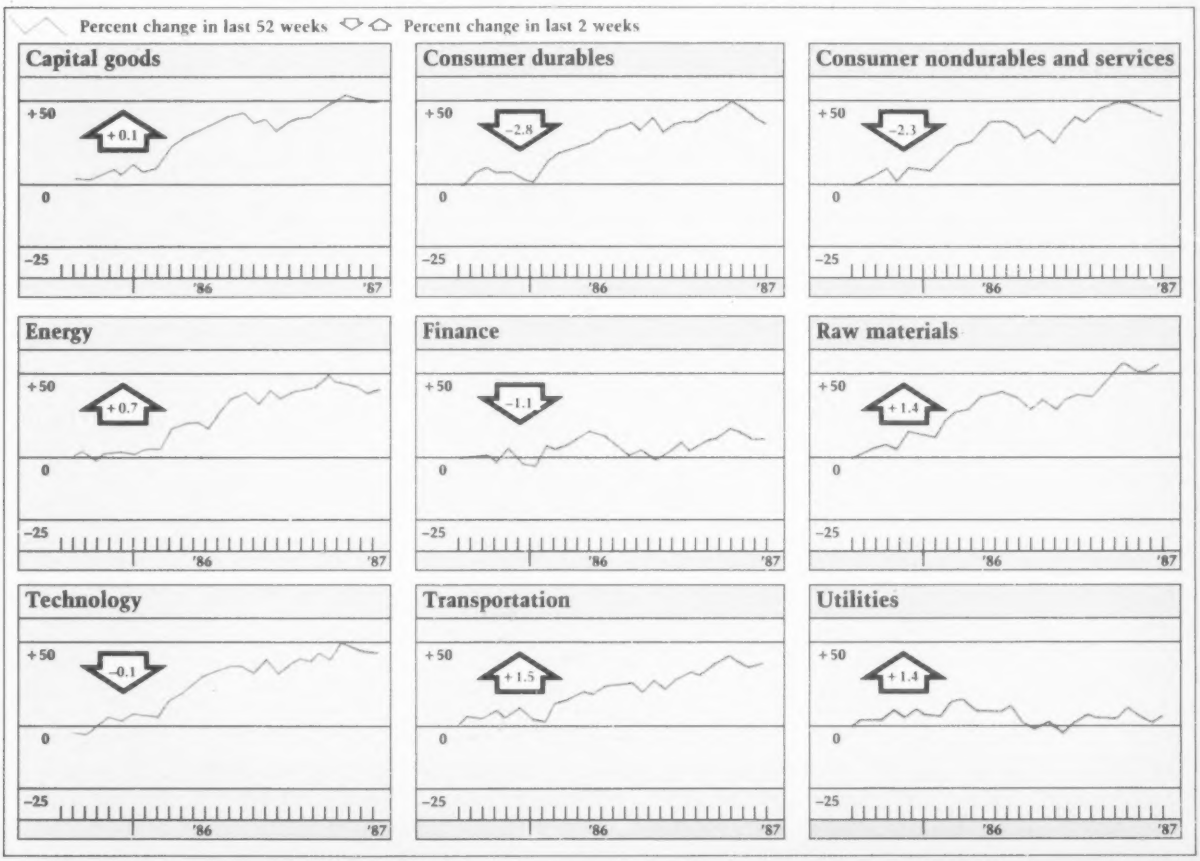
[1]Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2]Based on sales. [3]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 9/25/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Where the Action Is

Transportation, utilities and raw materials were the strongest sectors in a weak market. Transportation issues led with a 1.5% gain. Both utilities and raw materials rose 1.4%. Over the last 52 weeks the raw materials group shows the largest gain, an increase of 57.2%. This diverse group includes some service companies, such as Computer Sciences, as well as firms engaged in the mining of natural resources. Over the last two weeks the best stock in this sector was Norton Co., which gained almost 15%.

In contrast, the two consumer sectors fell more than twice the market. Auto and auto-related stocks, such as Genuine Parts, B.F. Goodrich, Champion Spark Plug and auto-importer Subaru of America, lost between 7% and 9%. Anticipated weak earnings knocked Gap down 39%.



What the Analysts Think

Spotlight on raw materials. Security analysts continue to raise their 1987 earnings estimates for the raw materials group. Among stocks with upgraded forecasts are Commercial Metals, Inspiration Resources, NCH and Inco. Smaller estimate increases were made for three other sectors: capital goods, energy and utilities.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.31	20.8
1987 estimates	2.92	16.4
1988 estimates	3.78	12.7

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Raw materials	$2.33	18.1	0.32%	1.25%
2	Capital goods	2.08	22.0	0.12	0.51
3	Energy	2.36	18.5	0.04	0.82
4	Utilities	2.43	10.9	0.01	0.00
5	Consumer durables	4.31	13.9	−0.08	0.17
6	Consumer nondurables	2.32	18.3	−0.18	−0.15
7	Technology	2.47	18.5	−0.30	−0.48
8	Finance	1.74	19.2	−1.12	−3.40
9	Transportation	2.19	17.1	−1.20	−1.60

Earnings projections are capitalization weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

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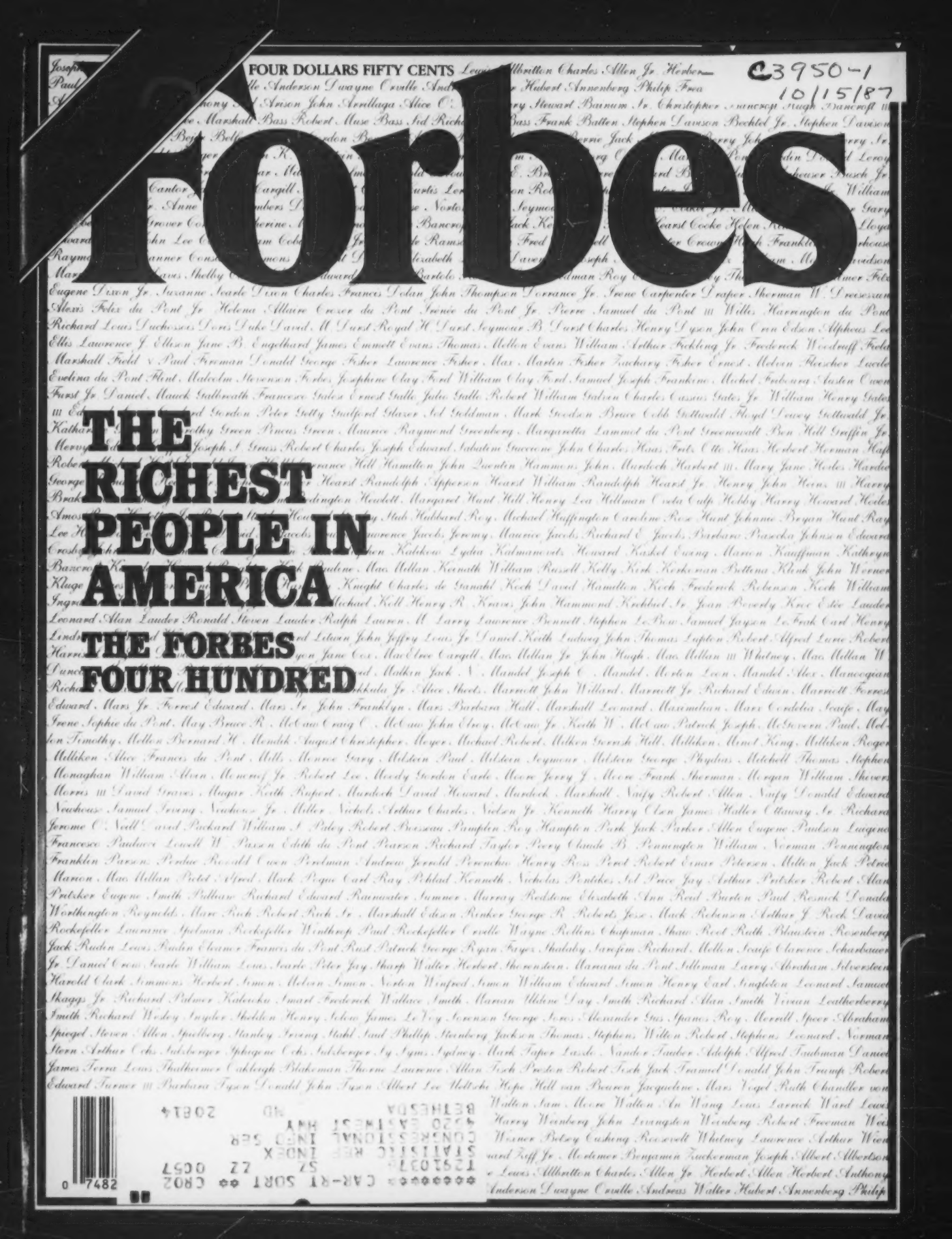
FOUR DOLLARS FIFTY CENTS

Forbes

THE RICHEST PEOPLE IN AMERICA

THE FORBES FOUR HUNDRED



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NUMBER 9

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The Forbes Four Hundred

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October 26, 1987 Volume 140 Number 9
Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Subscription $45 a year.

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The rich got richer last year.
To maintain their living standards as the dollar fell, they had to.

The Forbes Four Hundred Cost of Living Index

Illustrations by Tim Lewis

By Christie Brown

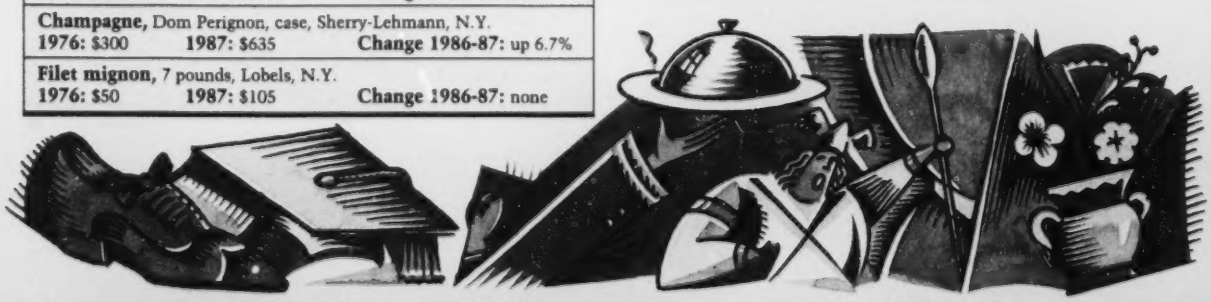
The general public has the benefit of the Consumer Price Index to tip them off about rising costs of necessities. From July 1986 to July 1987 the CPI rose 3.9%. For the same period a year earlier, the increase was 1.9%. This year's climb is largely the result of energy price rises.

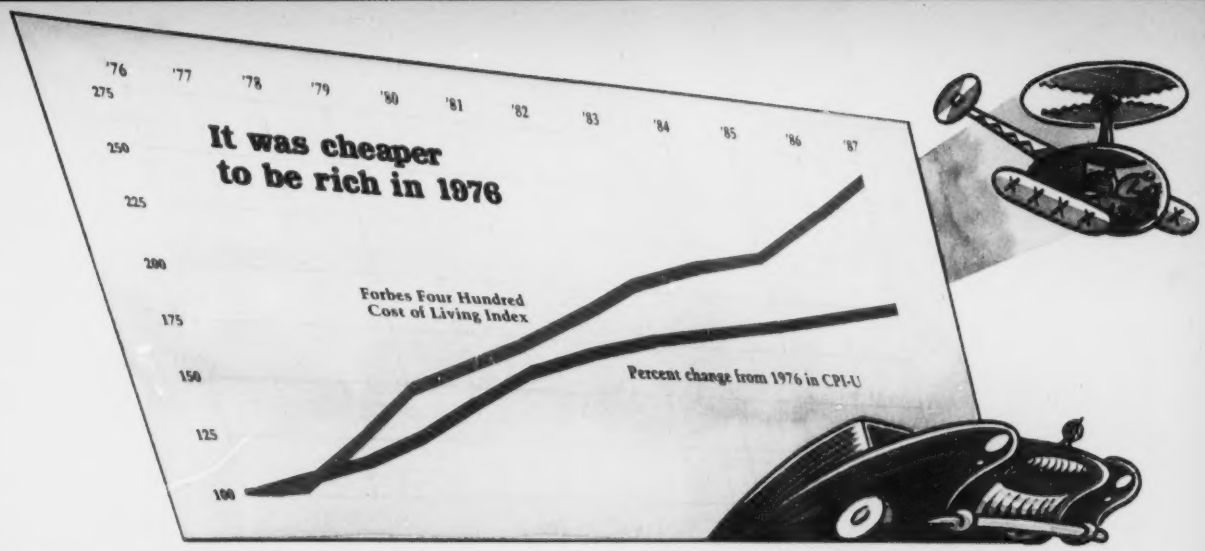
But that 3.9% rise in the cost of an ordinary lifestyle looks good beside the jump in the cost of maintaining a Forbes Four Hundred lifestyle. From July 1986 to July 1987 our luxury index shot up 19.3%—far higher than the yield on tax-exempt bonds.

There are always the odd bargains, of course. The price of a chestnut Thoroughbred at Keeneland dropped 9% last year, from $408,000. Prices of a week at the Golden Door and those keep-in-touch calls to London advanced not at

Apparel			
Coat, natural Russian sable by Maximilian Fur Co., N.Y.			
1976: $40,000	**1987:** $135,000	**Change 1986-87:** up 12.5%	
Dress, Adolfo Couture Classic			
1976: $950	**1987:** $1,500	**Change 1986-87:** up 20%	
Loafers, Gucci			
1976: $89	**1987:** $225	**Change 1986-87:** up 15.4%	
Shirts, 1 dozen cotton Turnbull & Asser, made to measure			
1976: $448	**1987:** $1,295	**Change 1986-87:** up 20%	
Shoes, men's black calf wing-tip, custom-made, John Lobb, London			
1976: $202	**1987:** $1,127	**Change 1986-87:** up 20.4%	
Educational expenses			
School, preparatory, Groton, 1-year tuition, room, board			
1976: $4,200	**1987:** $12,800	**Change 1986-87:** up 7.6%	
University, Harvard, 1-year tuition, room, board, insurance			
1976: $5,900	**1987:** $17,100	**Change 1986-87:** up 11%	
Entertainment			
Catered dinner, for 40, by Ridgewells, Inc., Washington, D.C. (Menu: soup, salmon, veal, dessert; wine not included)			
1976: $2,200	**1987:** $5,200	**Change 1986-87:** up 44%	
Opera, 2 season tickets, Metropolitan Opera, Saturday night, box			
1976: $480	**1987:** $1,710	**Change 1986-87:** up 5.5%	
Food at home			
Caviar, beluga malossol, 1 kilo tin, average retail			
1976: $283	**1987:** $975	**Change 1986-87:** none	
Champagne, Dom Perignon, case, Sherry-Lehmann, N.Y.			
1976: $300	**1987:** $635	**Change 1986-87:** up 6.7%	
Filet mignon, 7 pounds, Lobels, N.Y.			
1976: $50	**1987:** $105	**Change 1986-87:** none	

Food away from home			
Dinner, La Tour D'Argent, Paris; Michelin estimated price			
1976: $34	**1987:** $97	**Change 1986-87:** up 8.3%	
Home furnishings			
Piano, Steinway & Sons, concert grand, Model D, ebonized			
1976: $13,500	**1987:** $43,700	**Change 1986-87:** up 10.4%	
Flowers in season, arrangements for 6 rooms, changed weekly, by Christatos & Koster, Inc., N.Y., per month			
1976: $1,400	**1987:** $2,500	**Change 1986-87:** up 25%	
Sheets, set of embroidered silk, by Pratesi, queen size			
1976: $1,218	**1987:** $3,020	**Change 1986-87:** up 13.1%	
Silverware, Kirk Stieff Co., Colonial Williamsburg Shell pattern, 4-piece place setting, for 12			
1976: $1,341	**1987:** $4,020	**Change 1986-87:** up 43.6%	
Lodging while out of town			
Hotel, 2-bedroom suite, park view, The Sherry-Netherland, N.Y.			
1976: $250	**1987:** $660	**Change 1986-87:** up 10%	
Medical care			
Face-lift, Amer. Acad. of Facial Plastic & Reconstructive Surgery			
1976: $4,000	**1987:** $5,000	**Change 1986-87:** none	
Hospital, VIP, Washington Hospital Center, Wash., D.C., 1 day (2 bdrms, lvg rm, concierge, security, gourmet meals)			
1976: $325	**1987:** $644	**Change 1986-87:** up 23%	
Psychiatrist, Upper East Side, N.Y., 45 minutes, standard fee			
1976: $40	**1987:** $140	**Change 1986-87:** up 16.7%	





all. But note that a disproportionately large number of luxury-class goods are foreign-made—meaning the rich folks got clobbered by the falling dollar. The price of a pair of Purdy shotguns climbed 23% last year. A dozen Turnbull & Asser shirts rose 20%, and sensible shoes at John Lobb in London, 20.4%. (Ordinary people's shoes, according to the CPI, went up only 2.5%.)

But the dollar can't take all the blame. The cost of a U.S.-made Hatteras 53-foot motor yacht rose 10%, a Learjet zoomed 22.6%. (New vehicles in the CPI rose 3.3%.)

If you go back further *(see chart, above)*, you will find that the CPI has climbed 99% since July 1976, the base year for The Forbes Four Hundred Cost of Living Index. Our index? It has risen 166% since 1976. Depressed? Alas, even the cost of 45 minutes with a Park Avenue psychiatrist is up 16.7%, to $140. ■

Personal services		
Lawyer, established mid-Atlantic firm, partner, estate planning, average hourly fee		
1976: $80	**1987:** $150	**Change 1986-87:** up 3.4%
Spa, The Golden Door, California, basic weekly unit		
1976: $1,250	**1987:** $3,000	**Change 1986-87:** none
Toilet goods and personal care appliances		
Perfume, 1 oz, Joy by Jean Patou		
1976: $100	**1987:** $230	**Change 1986-87:** up 9.5%
Sauna, by Helo, Inc., 6x8 feet, 8-person, cedar, stained-glass window		
1976: $5,000	**1987:** $7,875	**Change 1986-87:** up 5%
Sporting goods		
Motor yacht, Hatteras 53		
1976: $214,700	**1987:** $569,300	**Change 1986-87:** up 10%
Sailing yacht, Nautor's Swan 651 (Formerly 65)		
1976: $384,300	**1987:** $1.4 million	**Change 1986-87:** up 85%
Shotguns, pair by James Purdy & Sons, at Griffen & Howe, N.Y.		
1976: $20,000	**1987:** $70,000	**Change 1986-87:** up 23%
Thoroughbred, yearling, average price at Keeneland select sales		
1976: $67,300	**1987:** $371,300	**Change 1986-87:** down 9.8%
Sports facilities		
Swimming pool, Olympic, standard site		
1976: $180,000	**1987:** $481,500	**Change 1986-87:** up 7%
Tennis court, clay, standard site		
1976: $25,000	**1987:** $45,000	**Change 1986-87:** up 21.6%
Toys and hobbies		
Train set, G gauge, by LGB, FAO Schwarz, N.Y.		
1976: $178	**1987:** $425	**Change 1986-87:** up 30.7%

Transportation, private		
Airplane, Learjet 35A, with typical options, certified 10 passengers		
1976: $1,800,000	**1987:** $3,800,000	**Change 1986-87:** up 22.6%
Helicopter, Sikorsky S-76, full executive options (introduced 1978)		
1978: $1,300,000	**1987:** $3,700,000	**Change 1986-87:** up 8.8%
Automobile, Rolls-Royce Silver Spirit (Formerly Silver Shadow)		
1976: $38,000	**1987:** $109,700	**Change 1986-87:** up 6%
Transportation, public		
Airline ticket, British Airways Concorde, round-trip N.Y.-London		
1976: $1,512	**1987:** $5,998	**Change 1986-87:** up 12%
Utilities and public services		
Telephone call, 10 minutes, AT&T, N.Y.-London		
1976: $12	**1987:** $10.56	**Change 1986-87:** none
Other goods and services		
Cigars, Cuban, box of Dunhill Valadero, Toronto		
1976: $146	**1987:** $410	**Change 1986-87:** down 5%
Magazine, Forbes, 1-year subscription		
1976: $15	**1987:** $45	**Change 1986-87:** up 7.1%
Suitcase, Loewe, black napa leather, 27-inch-long		
1976: $739	**1987:** $1,700	**Change 1986-87:** up 6.3%
Watch, Patek Philippe classic man's gold, leather strap		
1976: $2,450	**1987:** $6,350	**Change 1986-87:** up 17.6%
Purse, Hermès, "Kelly bag," calf, 10 inches		
1976: $550	**1987:** $2,150	**Change 1986-87:** up 13.2%

The 400 Richest People in America

Prepared by Eric Schmuckler, Ralph King Jr. and Dolores A. Lataniotis
Edited by Harold Seneker
Illustrated by Tim Lewis

BILLIONAIRES HAVE BEEN busting out all over. In this, the sixth annual edition of The Forbes Four Hundred, the number of billionaires has almost doubled once again, up from 26 to 49. Put another way, over 12% of the list is composed of individuals whose net worth must be reckoned in ten digits. Down the list are closely related individuals like the Fords, New York City real estate's Rudin brothers, and the McCaw brothers of Seattle (cellular telephones), who, treated as unitary family fortunes, would qualify for billionairehood, too.

Bounteous growth in the stock market had a lot to do with swelling the ranks. Rising media and real estate values helped, too. The most astonishing increase was registered by Ted Arison, an immigrant from Palestine who built Carnival Cruise Lines into the world's biggest line of love boats. This year Carnival stock steamed into the market, making the Arison family holdings worth $1.8 billion, a 454% increase over last year's rather conservative estimate.

Other stock-market-made billionaires include Ewing Kauffman of Kansas City's Marion Labs, ace retailer Milton Petrie and Microsoft wizard Bill Gates, who deserves special mention as the world's youngest self-made billionaire. Welcome aboard, also, to those stragglers who just missed the boat last year, like Campbell Soup kingpin John Dorrance, Budweiser brewmaster August Busch, and the Tisch brothers of Loews Corp. and the U.S. Postal Service. And don't forget Joan Kroc, whose fortune still sizzles, thanks to continued gains in McDonald's stock.

New research unearthed another heir to the great Mars candy fortune, Jacqueline Mars Vogel, who joins the list at well over $1 billion. That valuation puts her at the top of this year's freshman class *(see box, p. 110)*. A better look at venerable Milliken & Co. reveals that patriarch Roger Milliken belongs in this rarefied air as well. And new information allows us to list some familiar names from Texas among the billionaires, namely three of the four Bass brothers and Ray Lee Hunt, who appears firmly in control of the "second" family's fortune.

The continued demand for prime media and real estate properties has elevated other billionaires. Rupert Murdoch's net worth nearly trebled as he fourth-networked his way to the upper reaches of the list. Then there's Oklahoma's Eddie Gaylord, whose holdings include the Grand Ole Opry and television's *Hee-Haw* as well as a slew of newspapers and TV stations. Real estate yielded shopping mall magnates Edward DeBartolo and Alfred Taubman, New York property magnates Sam LeFrak and Sol Goldman, and Irvine Ranch handler Donald Bren. Rounding out the ranks of new billionaires are Dallas takeover artist Harold Simmons (nicknamed the "Texas gunslinger"), Cincinnati money shuffler Carl Lindner, and pet-food provider and New Jersey swamp-drainer Leonard Stern.

The only people from last year's tally who slipped below the billion-dollar boundary were former Ambassador Walter Annenberg of *TV Guide* fame, who has given away a healthy slug of stock to the media schools named for him at the University of Pennsylvania and USC, and Gordon Getty, lately distanced from the $3 billion Getty trust now entangled in the Texaco/Pennzoil brouhaha.

Speaking of putting some distance in, Sam Moore Walton returns as the heaviest hitter in The Forbes Four Hundred lineup. The family holding controlled by "Mr. Sam" has skyrocketed some 89%, showing that even the richest can get richer. Put another way, Sam's $4 billion increase this year would by itself be enough to secure the top slot. And that accounts for only a small portion of the 41% gain registered by The Four Hundred as a whole. Their combined net worth jumped $64 billion, to $220 billion.

Of course, with a record-breaking 80 people new to this year's list, we must bid farewell to several familiar names from Four Hundred rosters in years past. Some, like rock 'n' roller Dick Clark and the duke of *Dynasty*, Aaron Spelling, saw their newly public companies take nosedives (Dow Jones can be tougher to beat than the Nielsens). TV hitmaker Norman Lear dropped as well, not because of bad business deals, but because of a reported $112 million divorce settlement. Ouch. Others, like Motown mogul Berry Gordy, were simply surpassed by those with bigger (or better-substantiated) fortunes. The minimum net worth in The Forbes Four Hundred this year was up $45 million, to $225 million.

The price of oil has rebounded a bit since last year, but not enough to revive the sagging fortunes of the Hunt brothers. A wealth of new information has become available on their finances since they put their main

business in Chapter 11 last year. Although a definitive picture of their assets—pledged and unpledged—has yet to emerge, it is at least clear that our estimate of a joint $1 billion for Bunker, Herbert and Lamar last year is way too high this year. Or so their bankers tell us. For now, the three brothers drop off The Four Hundred individually and may be found in the family section. Sisters Margaret Hill and Caroline Hunt have so far managed to keep their interests separate from their brothers' spectacular decline.

Among the old-money set, the ranks were thinned by a rising minimum and the inevitable force of time, both as disperser and dispatcher. This year we dropped seven members of the du Pont family, six Mellons and five Rockefellers. The du Ponts in particular have been losing representatives on the list since their peak of 33 back in 1985; America's "first family" now holds down only 16 spots, or 4% of the list. Meanwhile, we retain six Mellons and only three Rockefellers, meaning this troika of "brand name" families occupies just over 6% of the available spots. Still, fortunes that were primarily or completely inherited continue to account for some 40% of the list. It is clearly easier to maintain a vast fortune than to create it, and the inheritors draw from the work of several preceding generations. ■

New to The Forbes Four Hundred

Tom Wolfe, the noted wag and gifted social commentator, recently observed that writing and reading about the superrich is a "great new vice," the 1980s equivalent of pornography.

Well, this edition of The Forbes Four Hundred includes a bumper crop of titillating new entries, as it happens, but it isn't wrapped in plain brown paper. The rise and fall of the very rich reflects the times.

There are 80 newcomers in all. Of these, 59 make the list for the first time. The rest have appeared before, but not last year.

Some first-timers will be no great surprise. Many others you may never have heard of, and that's the way they prefer it. Our wealthiest new entry by far, Jacqueline Mars Vogel, a recently discovered heiress to the Mars family fortune, has been the most elusive of this extremely retiring clan. Behind her is Paul Allen, long in the shadow of his childhood buddy and Microsoft cofounder, billionaire William Gates.

In fact, the first-timers include just two household names: Hollywood director Steven Spielberg and William Wrigley of the chewing gum Wrigleys. Other brand names include Lands' End clothier Gary Comer and Neutrogena soap peddler Lloyd Cotsen. Welcome also Jeremy Jacobs of Buffalo, N.Y., whose family has hawked hot dogs at ballparks for generations.

Habitual readers of the financial pages, of course, will be all too familiar with money men like Carl Icahn, Ronald Perelman, George Soros, Bernie Cantor and the Hafts, père et fils. But how about low-profile Wall Streeters Joseph Gruss and John Weinberg?

Further research on the West Coast offered up some of the less accessible fortunes. Prosperity smiles again and again on those who develop Orange County real estate (Donald Koll, John Lusk, William Lyon). Also Silicon Valley (John Arrillaga and Richard Peery). Other Californians making their debuts are movie theater moguls Marshall and Robert Naify, and two heirs to the Hoiles newspaper fortune.

The stock market's renewed acquaintance with high technology vaulted Atari's Jack Tramiel, Oracle Computer's Larry Ellison and McCaw Communications' four McCaw brothers into these ranks.

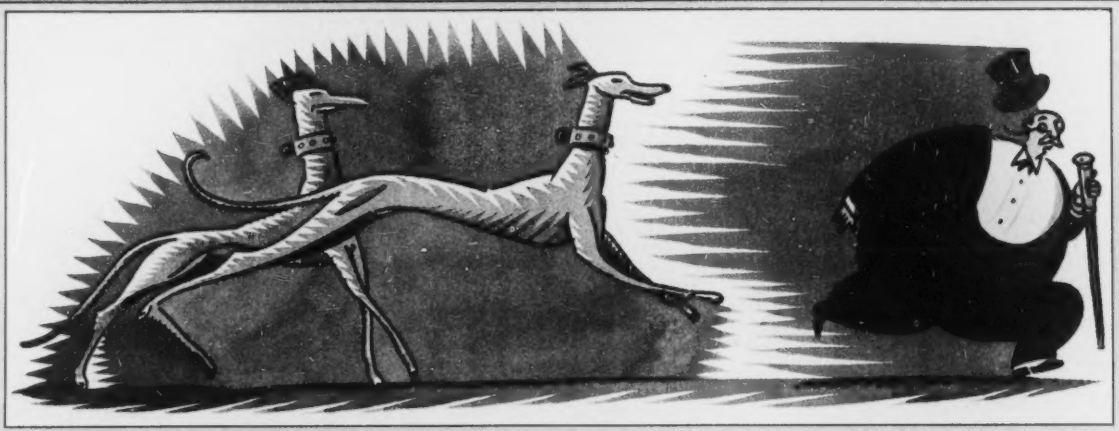
Ranked according to their net worth, here are the newcomers to The Forbes Four Hundred and where you will find them.

Name	Net worth ($mil)	Page
Jacqueline Mars Vogel	$1,150	132
Paul Gardner Allen	640	156
Richard A. Manoogian	530	168
Carl Celian Icahn	525	168
Marshall Naify	500	176
Robert Allen Naify	500	176
John Charles Haas	500	176
Fritz Otto Haas	500	176
John Orin Edson	450	182
Joseph S. Gruss	400	184
Jeremy Maurice Jacobs	400	186
Jack Tramiel	375	194
Gary Campbell Comer	350	201
Richard E. Jacobs	345	204
William Wrigley	345	204
Barbara Tyson	325	189
Ernest Melvin Fleischer	320	208
Craig O. McCaw	315	209
Bruce R. McCaw	315	209
John Elroy McCaw Jr.	315	209

Name	Net worth ($mil)	Page
Keith W. McCaw	315	209
Floyd Dewey Gottwald Jr.	310	209
Bruce Cobb Gottwald	310	209
Norton Clapp	300	209
Fayez Shalaby Sarofim	300	212
Donald Michael Koll	300	213
Harry Howard Hoiles	300	216
Mary Jane Hoiles Hardie	300	216
Ronald Owen Perelman	300	216
Abraham Spiegel	300	218
George Soros	300	219
Elizabeth L. Davenport	300	170
David Graves Mugar	285	220
Jesse Mack Robinson	275	224
Lloyd Edward Cotsen	265	224
James Haller Ottaway Sr.	255	227
Guilford Glazer	250	227
John Arrillaga	250	227
Richard Taylor Peery	250	227
Lydia Kalmanovitz	250	228

Name	Net worth ($mil)	Page
Robert Boisseau Pamplin	250	234
Herbert Simon	250	174
Edmund Wattis Littlefield	245	234
Lawrence J. Ellison	245	234
David H. Jacobs	245	204
Johnnie Bryan Hunt	240	235
Bennett Stephen LeBow	235	235
Dwayne Orville Andreas	230	236
Richard Edward Rainwater	225	236
John David Lusk	225	236
Bernard Gerald Cantor	225	238
Oliver Taylor Carr Jr.	225	238
John Livingston Weinberg	225	238
William Lyon	225	238
John Quentin Hammons	225	238
Amos Barr Hostetter Jr.	225	238
Herbert Herman Haft	225	240
Robert Michael Haft	225	240
Steven Allen Spielberg	225	240

Rules of the Chase



THE FORTUNES OF THE VERY RICH are difficult to calculate. Often it isn't even clear exactly who owns a great fortune. It is frequently parked at least partly in the names of the immediate family or concealed in private investment companies. Or, more difficult to find, it is held in trusts, where separate elements of ownership (control of principal, receipt of income, power to name heirs, etc.) are deliberately spread among different people to defend against inheritance tax laws.

To arrive at coherent estimates of wealth, we adopted a number of rules:

- Blocks of publicly traded stock are priced at the market close on Sept. 11. (The summary statistics do not reflect late changes occurring as we went to press.)
- Privately held companies are valued according to estimated revenues and earnings and to prevailing price/earnings ratios for publicly traded companies in similar businesses.
- When earnings aren't known or are suspect, we adopt rule-of-thumb conventions. Newspapers, for instance, can be valued at 2 to 3 times revenues or 12 to 20 times cash flow less debt. TV and radio stations, cable systems and some newspapers are valued for us by authoritative media brokers.
- Among oil and gas producers we rarely go beyond putting fair valuation on their reserves, to be conservative. Some oil and real estate types have substantial assets not in their own names, so in one or two cases we were forced to rely on consensus estimates of knowledgeable peers. These estimates are treated cautiously.
- In the matter of trusts and other intrafamily arrangements, we proceed on a case-by-case basis, applying common sense. Most trusts plainly exist to carry out a normal pattern of inheritance (to husbands, wives or offspring) and to minimize inheritance taxes. We look at who controls the wealth. The trusts are generally attributed to the person who created the wealth, if still alive and in control, or to the principal controlling family member or members (and not the family lawyers), if that person is not.

Obversely, spendthrift trusts, meant to keep control out of the hands of beneficiaries, are not credited to the beneficiaries; only estimated trust income is counted.

For an example, consider the Getty family. For years Gordon Getty, as sole trustee of the major family trust, made all investment decisions—such as selling Getty Oil to Texaco—without any other family members. He also controlled distribution of trust income for himself, one brother and nieces and nephews.

The principal was never his to bet at the track or spend on wine, women and song. But otherwise his power was nearly absolute, and he already had more spending money than he could use outside the trust. In a practical sense he differed little from the outright heir—not spending capital, responsibly managing a fortune for himself and his family. We attributed the fortune to him then. But now the family is in the courts and he's no longer acting as trustee, by court decree, and so we no longer do so. (He remains in our list, further down, based on estimated personal assets.) As the Getty fortune is split up, other family members will acquire similar powers over their portions and be included.

Lawyers sometimes say a trust is "owned" by those who ultimately will receive the principal—here, the next generation of the Getty family. But, in fact, the next generation has no power to spend or invest principal or to disburse income to themselves. It is difficult to take such "ownership" seriously—if Gordon's wife were pregnant, the unborn child would, following the lawyers, be counted as one of the richest people in America. A controlling person's powers may be weakened by the limitations of a trust. But every other party's claim to present "ownership" is far weaker still.

Irrevocable charitable trusts and foundations are not counted as personal wealth at all.

Wealth in the names of spouses and other immediate family members is sometimes assigned to the principal family member, especially where ties are close. Where a member's shares are sufficient to entitle him or her to a place among the richest people in America, we generally list him or her separately. A prime exception is the case of Sam Walton, who set up a family holding company for himself and his four children. Each Walton holds a 20% interest, but there can be little doubt whose fortune it really is, within this mutually trusting family. So we list one Walton billionaire, the founder, rather than five. This practice is, of course, not followed where family members have gone their separate ways.

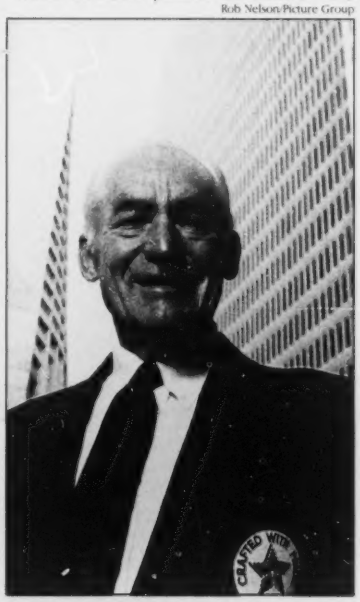
The Forbes Four Hundred

Billionaires

Sam Moore Walton

Wal-Mart Stores. Bentonville, Ark. 69. Married, 4 children. Paid own way through Univ. of Missouri during Depression by operating paper route; called "Hustler Walton." Began 1940 at $85 a month for J.C. Penney. Stateside MP WWII. Opened Ben Franklin store Newport, Ark. 1945; 5 years later lost lease. Started over in Bentonville with brother James L. *(which see).*

Rob Nelson/Picture Group



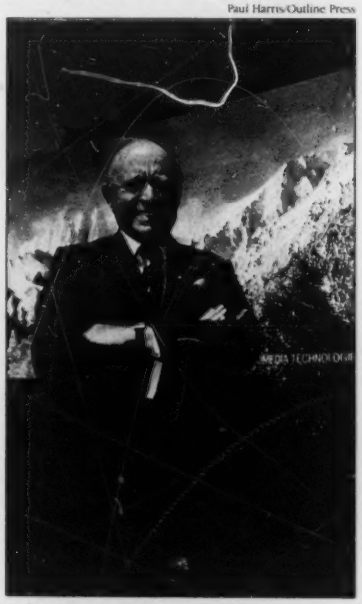
Sam Moore Walton

Capitalized on hunch about discount stores in rural America starting 1960s. Today largest discount retail chain: over 1,000 stores, $12 billion sales. "Mr. Sam" flies Cessna to visit stores, opens company meetings with "Star-Spangled Banner," leads cheers at store openings: "Mr. Walton has a calling." Simple lifestyle: hunts quail, plays tennis. "I don't work as much as people think I do." Wal-Mart stock (with family), banks, other assets, worth $8.5 billion. Sam: "It's just paper." Detests being known as richest American; good-naturedly (we hope): "I could kick your butt for ever running that list."

John Werner Kluge

Metromedia Co. Charlottesville, Va. 73. Twice divorced, remarried; 3 children. German-born, family arrived Detroit 1922. Stint on Ford assembly lines, won scholarship to Columbia, got economics degree. After WWII Army intelligence duty, started D.C. radio station. Sold Cheetos, Fritos, bought real estate. Took control of Metropolitan Broadcasting with partners 1959; parlayed into Metromedia. In celebrated 1984 buyout, liquidation of Metromedia assets (TV and radio stations, billboards, Harlem Globetrotters, cellular telephone, etc.) realized 2½ times ($4.65 billion before taxes, debt) what shareholders got. *Klug* is German for "clever." Converted to Catholicism 1981. Armand Hammer: "He once told me he wished he was my son." With $2.6 billion cash hoard, next big move is much anticipated. Lately hiked Orion Pictures stake to 16%, started computerized painting system for billboards. Metromedia still has cellular telephone interests NYC, Philadelphia, Dallas, plus small long-distance phone service. Net worth at least $3 billion. "Being in a deck chair doesn't make life interesting. We're always on roller skates."

Paul Harris/Outline Press



John Werner Kluge

Henry Ross Perot

Electronic Data Systems. Dallas. 57. Married; 4 daughters, 1 son. Son of Texas horsetrader, sold saddles as a teenager. Served in Navy, then joined IBM, became top salesman. Founded Electronic Data Systems in 1962 with $1,000. Stock rose and crashed, 1970, chalking up $600 million loss in day's trading. Failed to save 2 struggling Wall Street firms 1974, but did save 2 EDS employees from Iranian prison 1979. Sold EDS to GM for (then) $991 million, 1984. Problems with GM management spurred $742 million buyout of critical Perot, 1986. Now manages own investment company, with offices down the street from EDS. "The good news is all day I get to sit down and occupy myself with real business problems. I'm no longer running around with a butterfly net." Recently plowed $20 million into Steve Jobs' *(see Dropouts)* new computer firm, Next, Inc. "Next is a company that could yield a great return, maybe 10 times what I put into it. But that don't rock the boat very much, now does it?" Boat already holds 22,000 acres real estate, other real estate, liquid assets, other investments worth at least $2.9 billion.

Shelly Katz/Black Star

Henry Ross Perot

David Packard

Hewlett-Packard. Los Altos Hills, Calif. 75. Widowed, 1 son, 3 daughters. Phi Beta Kappa Stanford; played football, basketball, ran track. With $538, classmate William Hewlett *(which see)*, launched electronics firm 1939. Dave supplied business acumen, Bill engineering knowledge. Early products: oscilloscopes, but also automatic urinal flusher, bowling alley foul-

Dennis Brack/Black Star

David Packard

line indicator. Later products: calculators, computers, etc. H-P first major U.S. company to adopt "flextime" work hours. Served as Nixon's deputy secretary of defense 1969-71. Chaired Reagan's Blue Ribbon Commission on Defense Management 1985-86 criticizing procurement, seeking alternatives. Son David joining H-P board. Donated $70 million to alma mater in 1986. Funds Monterey Bay Aquarium, run by daughter. 17% H-P worth $2.87 billion. He refuses to discuss wealth: "It's not his favorite subject."

Samuel Irving Newhouse Jr.

Donald Edward Newhouse

Brothers. Publishing. Father Samuel born in Manhattan to Eastern European immigrants. Managed *Bayonne* (N.J.) *Times* at 16, took control *Staten Island Advance* 1922. Assembled nation's largest privately owned newspaper chain. By legend, fanatic cost-cutter, worked out of briefcase: "I am never offhanded about money." Two sons tagged along on rounds. Bought magazine publisher Condé Nast 1959. Upon death 1979, sons took voting stock, kept hands off editorial. Advance Publications now 29 newspapers, 12 magazines, cable TV, book publishing (estimated $2.2 billion revenues); 5 TV stations sold to Times-Mirror 1980. Si: NYC. 59. Divorced, remarried; 3 children. Runs Condé Nast (*Vogue, Gourmet, Vanity Fair), New Yorker, Parade* (circulation 30 million); Random House;

Anthony Edgeworth

Samuel Irving Newhouse Jr.

Donald Edward Newhouse

Advance chairman. Reportedly more introverted, conservative than brother. Workday starts at 4 a.m. His son Samuel III, 35, publisher of *Jersey Journal*. Donald: NYC. 58. Married, 3 children, 2 in business. Advance president, runs newspapers (circulation over 3 million), cable TV (over 1 million subscribers). His son Steven, *Jersey Journal* editor, commutes on subway. Brothers fighting one of largest estate tax cases (IRS: $914 million; brothers: $47 million). Uncle: "I don't think any of us has any vanity. And when you're free of vanity, you're free of a lot of other problems." Potential tax liability, possible acquisition debt (some estimates omit both), put estimated value of publishing empire shared by brothers at $4.7 billion.

Lester Crown

Inheritance, industrialist. Wilmette, Ill. 62. Married, 7 children, 3 in business. Father renowned Chicago financier Henry Crown, 91, born to poor Latvian immigrants; "The Colonel" (WWII procurement officer) built empire on small sand-

and-gravel firm, Material Service Corp., 1919; merged with General Dynamics 1959 for stock, now 23% stake. Also amassed real estate, including Empire State Building, sold reluctantly 1961 for estimated $31 million profit. Brother Irving (d. 1987) "the operating man," while Henry, now mortally ill, "the conceptual man." Mantle passed to Harvard-M.B.A. son Lester: "There has to be a yes-or-no person." Irving's son-in-law Charles (Corky) Goodman, 53, acts as right hand. Lester on GD board, beat high-level security clearance challenge stemming from 1972 bribery scandal. Pursues real estate in partnership with Tishman-Speyer: codeveloped nearly 5 million sq. ft. Chicago alone. Also building 4,000-acre suburban town. Lester's son James, 34, also GD board member, likely successor. With real estate, stock portfolio (including Burlington Northern, Hilton Hotels, Vulcan Materials), interest in New York Yankees, Chicago (basketball) Bulls, Lester controls family fortune exceeding $2.1 billion.

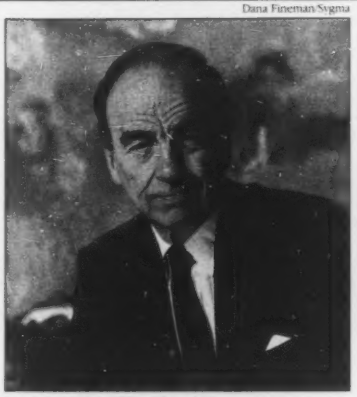
John Madere

Lester Crown

Keith Rupert Murdoch

The News Corp. Ltd. Australia, London, NYC. 56. Divorced, remarried; 4 children. Trained on London's Fleet Street, graduated from Oxford, 1952. Took over father's *Adelaide News* at 23. Diversified into magazines, radio and TV. Bought struggling *Daily Mirror* 1960. Organized first and only Australian national daily, printed by electronic facsimile process in four cities. Moved into U.K. *(News of the World, Sun, Times, Sunday Times)* and U.S. *(New York Post, New York* magazine, *Elle, Boston Herald).* Bought Twentieth Century Fox and Metromedia TV stations. Aim: create rival fourth network using Fox Broadcasting Co. Naturalized 1985. Known for sensationalist journalism and prestigious publications. "Sometimes there's a fine line between entertainment and news." But, "There were scenes in *Flashdance* . . . that embarrassed me." Unpredictable visionary, staunch conservative. Proud to run worldwide operations with corporate staff of 35. His 124 million shares in News Corp Ltd. worth $2.1 billion.

Dana Fineman/Sygma



Keith Rupert Murdoch

Warren Edward Buffett

Stock market. Omaha. 57. Married, 3 children. Boyhood entrepreneur: placed refurbished pinball machines in barbershops; first-day take: $4. "I figured I had discovered the wheel." At 12 published racetrack tip sheet *Stable Boy Selections.* At 25 formed Buffett Partnership, Ltd. with $100,000; took over New England textile firm Berkshire Hathaway 1965, at 35, now diversified holding company (portfolio worth over $3 billion). Maintains spartan Omaha headquarters: "He runs his company with five people in an office the size of a closet." (Actually, has seven.) Ran 1986 *Wall Street Journal* ad seeking acquisitions ("If you have any possible interest, call promptly"). Plans to keep money in B-H, won't set up children for life of idleness. Signed friend's birthday card: "May you live until Berkshire splits." Recent B-H price: $3,860. With other holdings, worth $2.1 billion.

Mark Hanover/Onyx

Warren Edward Buffett

Leslie Herbert Wexner

The Limited, Inc. Columbus, Ohio. 50. Single. Dropped out of law school to work in father's clothing store. Borrowed $5,000 from aunt to hit big time "his way." Now 2,915 stores nationwide. Known for rapid distribution, inexpensive, quality women's apparel, half made abroad. Has 747s fly merchandise to Columbus distribution center. Sales quadrupled last 5 years to $3.14 billion, partly through acquisition. Bought NYC's Henri Bendel 1985. Company now expanding to men's fashion. Les failed twice to acquire Carter Hawley and Neiman-Marcus unit; second bid re-

Michelle Singer/Outline Press

Leslie Herbert Wexner

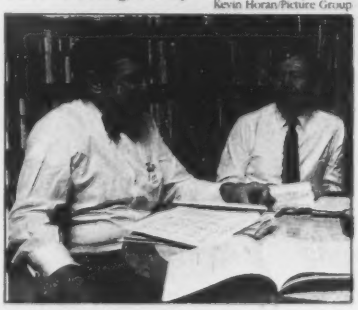
jected, 1987. "You wouldn't have to be a rocket scientist to fix them. What makes me tick is that I like to fix things." After close call with death atop Vail mountain 1981, vowed to lead fuller life: Supports Jewish, Catholic causes; Ohio State Univ.; Columbus Symphony; MLK Center for the Arts *(see also Bella Wexner)*. His stock in Limited worth well over $2.1 billion. "I built a business so I could create my own world. And I live in it."

Jay Arthur Pritzker

Robert Alan Pritzker

Brothers. Financiers. Progenitor Nicholas Pritzker left Kiev for Chicago 1881; formed Pritzker & Pritzker law firm 1902, later made 3 sons partners. Son Abram pursued business 1936; became Chicago legend: "I copied the Rothschilds"; d. 1986. His sons built, control vast interests. Family leader Jay: 65. Married, 5 children (1 deceased). WWII Navy pilot; followed father in law study, business career. Avoids risk but loves dealmaking, likens to boxing: "Hard and fast while in progress, but forgotten when finished." With brother Donald (d. 1972) built Hyatt Hotel chain (estimated revenues, $2.05 billion) starting with friend's dare 1957; now run by Jay's son Thomas, 37. Brother Robert: 61. Divorced, remarried; 5 children. Only engineer in lawyerly family; runs Marmon Group, umbrella for over 60 private cos. (revenues, $2.9 billion). "I am the oddball, the operating partner who's also a family member." Extensive real estate; latest venture Boston's Fan Pier high-rise project. Other interests include Braniff Intl., Ticketmaster, 10% Montgomery Securities, life insurance co., timberland. Without counting extensive real estate, fortune easily exceeds $3.8 billion.

Kevin Horan/Picture Group



Robert and Jay Pritzker

Edgar Miles Bronfman

Seagram Co. NYC. 58. Married 4 times (twice to current wife), 7 children. Father Samuel ("Mr. Sam") ran small Winnipeg hotel; established liquor distillery in Montreal, 1924. Business boomed during Prohibition; acquired major competitor Joseph E. Seagram & Sons Ltd., 1928. Responsibilities divided up at father's death, 1971: Edgar took over American branch, brother Charles got Canadian subsidiary. Chairman Edgar recently tapped son Edgar Jr. as successor: "I was never anxious for my offspring to get into the business. I grew up knowing I had no choice." Selection caused public tiff with Charles, now resolved: "The dust has settled as far as Edgar and I are concerned." Heads World Jewish Congress. Family trust CEMP Investments recently liquidated; Edgar's 40% cut: $500 million. That, plus his 16% stake in Seagram, worth over $1.8 billion.

Anthony Savignano/Ron Galella, Ltd

Edgar Miles Bronfman

Barbara Cox Anthony

Anne Cox Chambers

Sisters. Inheritance. Daughters of James Middleton Cox, country schoolteacher, reporter who bought *Dayton* (Ohio) *Daily News* 1898 for $26,000; staunch Democratic reformer thrice-elected governor of Ohio but failed presidential bid 1920 with FDR as running mate. Returned to media, assembled vast holdings; d. 1957. Son James Jr., avid sailor, hands-off manager, diversified into broadcasting, cable; antitrust forced spinoff 1964 of Cox Communications; d. 1974. Cox Enterprises now 20 daily newspapers (including flagship *Atlanta Journal & Constitution*), 11 weeklies, 8 TV stations, 11 radio stations, 1.3 million cable subscribers, auto auction firm, cattle ranches; owned 98% by his sisters. Anne: Atlanta. 67. Divorced, 3 children. Civic-minded, crack shot, socialite, named ambassador to Belgium by friend Jimmy Carter. Barbara: Honolulu. 64. Divorced, widowed, remarried; 2 children. Ranches in Hawaii, Texas, Australia. Third husband Garner Anthony, 59, ran company for 17 years, completed "long-term goal" $1.3 billion buyout/merger of Cox Communications 1985. Son James Cox Kennedy, 39, president, will succeed as chairman in 1988: "This was not a planned-for thing"; used to trap pigeons on Atlanta office roof to train beloved hunting dog. Both women are directors of company; jointly worth well over $3.6 billion.

Barbara Cox Anthony

Thomas Iannaccone/WWD

Anne Cox Chambers

Ted Arison

Carnival Cruise Lines. Miami Beach. 63. Divorced, remarried; 2 children by first marriage, 1 adopted in second. Palestine-born son of largest Israeli shipowner. Quit college for British Army's Jewish brigade 1942. To New York 1952, lived on $10 a week. Started short-lived cargo line, then air cargo firm, took public, sold out at 42. Saw potential in mass-market cruise business, but joint venture with Norwegian Caribbean Lines ended in vitriolic lawsuit. With schoolmate Meshulam Riklis formed Carnival. In 1972 maiden cruise ran aground with 300 travel agents

Ted Arison

aboard; bought out Riklis 1974 for $1. Line profitable ever since. Now world's largest with seven "fun" ships catering heavily to singles; usually fully booked; Panamanian registry avoids U.S. taxes; son Micky, 37, president. Also operates Nassau hotel/casino. Took Carnival public 1987; family's 82% stake worth $1.8 billion. Other holdings: N.Y.'s Ensign Bank, Atlanta real estate firm, new Miami Heat basketball franchise.

Adolph Alfred Taubman

Real estate. Bloomfield Hills, Mich.; Palm Beach. 62. Divorced, remarried (to former Miss Israel); 3 children. Father was small home builder. Adolph started construction co. 1950; built 200 gas stations for pal Max Fisher *(which see)*. Built strip malls; saw big money was in ownership. Developed large regional malls 1960s; high rents, tough leases: "If they don't like it, they don't have to rent with us." Now

David Rennia/Ron Galella LTD

Adolph Alfred Taubman

controls 20 ritzy regional malls, extremely profitable. Borrowed about $600 million against half his equity in most malls 1985. Led Irvine Ranch buyout 1977; some $150 million profit when sold 1983. White knight for Sotheby's 1983, has 60%. Bought D.C.'s Woodward & Lothrop department stores 1984, added Philadelphia's John Wanamaker chain 1986; also has 5% of Macy's. Takeover bid for Pulitzer Publishing Co. rejected 1986. "Big Al" now enjoys jet-setting, society galas; major art collector. Worth at least $1.5 billion. "I have a desire to continue to make money. And I have a desire to be sure that I have fun doing it."

Henry Lea Hillman

Industrialist, venture capitalist. Pittsburgh. 68. Married, 4 children. Self-effacing son of coal-steel-gas magnate John Hartwell Hillman Jr., who nipped at Mellon heels, built

Kent Badger/Pittsburgh Press Co

Henry Lea Hillman

Pittsburgh Coke & Chemical, Texas Gas Transmission, etc. Henry joined business 1946, took over after father's death 1959: "I'm not a table pounder, and he was." Sold off smokestack assets, diversified into real estate, light industrials; holdings estimated $300 million 1969. Science/high-tech buff, invested heavily in Silicon Valley early 1970s via venture capital funds, then on own with spotty results (losses reported over $90 million): "My greatest weakness has been in not being the tough guy." Also backed LBO shops including Kohlberg Kravis Roberts & Co. *(which see)*; later swung own LBO: Copeland Corp. (compressors). Director of GE, Chemical Bank; big stake Eli Lilly. Passionately private. Wife Elsie active national civic, political affairs; no children active in business. Extensive investments, real estate assets exceed $1.5 billion.

Marvin Harold Davis

Oil, real estate, entertainment. Beverly Hills, Denver. 62. Married, 5 children. Father Jack successful Manhattan dressmaker; invested in

James Smeal/Ron Galella Ltd

Marvin Harold Davis

oil 1940. Marvin joined business at 15, scoured Rocky Mountains for cheap oil leases ("Mr. Wildcatter"). Sold half of oil properties to Hiram Walker 1981 for $630 million. Wanted to make "fun investments": Bought Twentieth Century Fox with Marc Rich *(which see)* 1981, hit Hollywood party circuit: "He got hit by the showbiz bug." Sold Fox in stages to Rupert Murdoch *(which see)*; kept prime real estate (Pebble Beach, Aspen Skiing Co.), $350 million profit. Sold more

oil properties 1985 for $180 million. Fellow oilman: "Marvin will get your last nickel." Bought Beverly Hills Hotel for $135 million 1986; $325 million bid for Spectradyne rejected 1987. Also lost battle with Donald Trump *(which see)* over Resorts Intl. casinos 1987. "No one scares me off." Still shopping for entertainment co. Plans to build Beverly Hills branch of Carnegie Deli: pastrami, cheesecake airlifts reportedly continue. With cash, prime real estate, some oil, worth over $1.45 billion.

William Redington Hewlett

Hewlett-Packard. Portola Valley, Calif. 74. Widowed, remarried 1978; 5 children, 5 stepchildren. Met H-P cofounder David Packard *(which see)* as undergrad at Stanford; formed electronics company in Palo Alto garage 1939. First product: resistance capacity audio oscillator used in groundbreaking movie *Fantasia*. Pushed company to introduce first scientific pocket calculator 1970: "We weren't sure we could make any money on it." Expanded into computers 1966. Easygoing, open-door manager ("management by wandering around"). Philanthropic: Hewlett Foundation distributes $33 million annually; gave $50 million to Stanford 1986. Retired from company in February; son Walter now H-P director. Sees smaller role for second generation: "The surest way to get a company in trouble is to continue to draw on the family." Enjoys outdoors: fishing, skiing, mountain climbing. Hewlett's share H-P worth $1.45 billion.

AP/World Wide Photos

William Redington Hewlett

Harry Brakmann Helmsley

Real estate. NYC and Greenwich, Conn. 78. Divorced, remarried; childless. Son of notions buyer for dry goods firm. Office boy at $12 a week for Manhattan real estate firm, officer at 23. Paid $1,000 for first building 1936. Today Helmsley-Spear, Inc. manages about $6 billion real estate, including 50 million sq. ft. commercial, 50,000 residential units. Pioneered syndication with Larry Wien *(which see)*; holdings include Empire State Building. Now selling out of properties with partners, buying on own account. Second wife Leona, former Chesterfield cigarette girl, hired as co-op broker 1971, married a year later; "Queen" of 26-hotel Helmsley chain, NYC's Helmsley Palace, etc. Leona said to have taken part in Bulgari sales tax scam; Harry and Leona accused of charging private home renovations to business 1986; they deny wrongdoing. Real estate equity worth at least $1.4 billion. Harry: "All you have to do is buy, and if you make a mistake, the market comes along and takes care of it."

John Marmaras

Harry Brakmann Helmsley

Philip Frederick Anschutz

Oil, investments. Denver. 47. Married, 3 children. Grandfather was Russell, Kans. banker; father was rancher, got into oil & gas 1930s, amassed holdings. After Univ. of Kansas 1961, Phil bought out Dad; sold drilling rigs, aggressively bought oil, gas leases. Big strike: Anschutz Ranch East in Utah, Wyo. ("the kind of field that gives oilmen goose pimples"); sold Mobil half his interest for $500 million 1982. Diversified into stocks (has 18% Ideal Basic cement), minerals (uranium, coal, tungsten), real estate (Denver's Anaconda Tower, Fairmont Hotel). Bought Rio Grande Railroad for $500 million 1984. Lost bid for Western Union 1986. "It's bing, bing, bing, one deal after another." Now pushing for Denver Convention Center on his land. History buff, Western art collector, marathon runner. Worth more than $1.35 billion. Private, unpretentious: "You'd never know he was a billionaire."

Karl Gehring/The Denver Post

Philip Frederick Anschutz

August Anheuser Busch Jr.

Anheuser-Busch. St. Louis. 88. Widowed, twice divorced, remarried; 10 children. Bavarian immigrant Adolphus Busch sold brewery supply business, joined father-in-law's brewery 1866; became Anheuser-Busch 1876. Survived Depression through diversification: corn syrup, soft drinks, yeast. August Jr. came aboard 1922, cleaned beer vats, swept floors; became president 1946, ran co. until 1975 (now "honorary" chairman). Busch world's largest brewer (Budweiser, Michelob, etc.); 1986 sales $7.6 billion, 39% U.S. market share. Also Busch Gardens theme parks, St.

AP/World Wide Photos

August Anheuser Busch jr.

Louis Cardinals baseball team (World Series winners 1982, losers 1985). "Baseball is a son-of-a-gun business." Son August III current Busch chairman. August Jr.'s 13% Anheuser-Busch worth over $1.3 billion. "I love the beer business. It's a fantastic, terrifically exciting business."

John Thompson Dorrance Jr.

Inheritance. Gladwyne, Pa. 68. Divorced, widowed, remarried; 3 children by first wife, 4 stepchildren. His father, chemist John Sr., shunned academia for $7.50 a week job with uncle's Joseph Campbell Preserve Co. Brainstorm: condensed soup in a can; became president 1914. Died 1930, willing then-third-largest U.S. estate to 5 children (4 daughters deceased; *see family*). One-third inheritance to John Jr. and his immediate family, rest to siblings; "Not a penny to

John Thompson Dorrance Jr.

charity." "Jack" joined co. 1946 as hourly factory hand; chairman 1962, oversaw Campbell Soup Co. expansion (Swanson, Pepperidge Farm brands). Open-heart surgery 1981, retired 1984. Controls immediate family trusts, other assets worth $1.3 billion.

Milton Jack Petrie

Petrie Stores. NYC and Southampton, N.Y. 85. Twice divorced, widowed, remarried; 1 son, 2 daughters. Son of Russian immigrant pawnbroker. Started as $10-a-week Indianapolis department store clerk after high school, landed advertising jobs by lying. With $5,000 (half won in craps) opened Cleveland hosiery store 1929. "I was the only guy in the country expanding." Bankrupt 1937; creditors repaid in full. Expanded again through acquisition. Now 1,525 stores: Marianne, Rave, Petrie's et al. Medium-

William Coupon

Milton Jack Petrie

priced, dowdy clothes with teen emphasis (sales, $1.2 billion). Gruff, intimidating boss but office full of teddy bears; grandson Matthew Miller, 25, possible successor. Plays bridge with Laurence Tisch, Alfred Taubman *(which see)*: "I've dropped $2,000 in an afternoon, but it's worth it. I get away from it all." Business tight fist loosened by plights of slashed model, fatherless quintuplets, police widow (charity exceeds $100 million). His 60% stake, real estate, investments worth at least $1.3 billion.

Ewing Marion Kauffman

Marion Laboratories. Mission Hills, Kans. 71. Married, 3 children. Born on Missouri farm, moved to Kansas City as child. Says best education was year spent in bed to correct heart ailment at 11: "No radio, no television. I read everything I could get my hands on." Started as drug salesman 1946, commissions soon exceeded president's salary ("They cut my territory. I quit."). Founded Marion 1950 with $5,000, calcium pill; now industry giant (1986 sales, $400 million). Let other companies do research; reformulat-

Ewing Marion Kauffman

ed into highly successful pharmaceuticals: Pavabid (vasodilator), Silvadene (burn treatment), etc. Motivated employees with generous stock plan. "I'm no genius, but I am smart, and I am an excellent salesman." Now marketing Cardizem, breakthrough drug for treating angina. Founded Kansas/Missouri-area Project Star 1984 anti-drug, tobacco and alcohol program. Plays golf, computer chess; swims daily "unless it's below zero." Has taken two speed-reading courses (1 from Evelyn Wood). Also owns 51% Kansas City (baseball) Royals. His 23% Marion, other assets worth nearly $1.3 billion.

Ray Lee Hunt

Inheritance, oil, real estate. Dallas. 44. Married, 5 children. Only boy in "second family" (third chronologi-

Shelly Katz/Black Star

Ray Lee Hunt

cally) of H.L. Hunt, who married Ruth Ray, adopted her 4 kids 1957 after death of first wife 1955 (long kept families secret from each other; *see Hunt brothers, Margaret Hill, Caroline Hunt*). Ray, with mother, 3 sisters *(see Dropouts)*, split "amicably" from first family after inheriting then-struggling Hunt Oil Co., other assets 1974. "The smartest Hunt" revived, expanded Hunt Oil, especially overseas: "You minimize risk by doing as much homework as possible and by spreading risk. Then, every once in a while, you'll stumble onto something that'll make you go boom." Latest boom: huge North Yemen oil strike 1984, to flow after pipeline laid 1988. Also Woodbine Development, vast real estate around Dallas/Fort Worth, including 3,500 acres residential/mixed-used, 1 million sq. ft. industrial properties, over 2,000 hotel rooms. Owns *D* magazine, sold unprofitable *Houston City, Texas Homes*. Also sold small life insurance co. at loss. Low-key, civic-minded. "It's more important to know your weaknesses than your strengths." No involvement with first family bankruptcy. Ray runs family businesses worth at least $1.3 billion.

Edward John DeBartolo

Shopping centers. Youngstown, Ohio. 69. Married; 1 son, 1 daughter, both in business. Grew up poor in Depression. At 13 wrote bids for Italian-speaking stepfather, a paving contractor. Studied civil engineering at Notre Dame, learned topography during WWII. Plunged 1949 on untested idea: suburban shopping strips. Plunged again 1960s on large regional malls. Now largest U.S. mall operator: over 65 million sq. ft. in 61 enclosed malls and some strips. Also 7.7 million sq. ft. offices, plus hotels, condos, oil, video game parlors, much valuable land around malls. Family has San Francisco (football) 49ers, Pittsburgh (hockey) Penguins, two racetracks. Bid for Carter Hawley Hale with pal Leslie Wexner *(which see)* rejected 1986. Also bid for Allied

Edward John DeBartolo

Stores; outmanuevered by Campeau Corp., consoled with $116 million "breakup fee." "Mr. D" works 7-day weeks (only part-time Sundays), never took a vacation. "I never knew anything more than just banging my brains out working." So far, banged way up to $1.25 billion.

William Henry Gates III

Microsoft. Seattle. 31. Wrote first computer program at 13. Scored perfect 800 on math portion of

Nubar Alexanian/Woodfin Camp & Associates

William Henry Gates III

SAT. Dropped out of Harvard to found Microsoft 1974 with Paul Allen *(which see)*. Zealot in computer crusade, devoted to Microsoft ("It's his firstborn child"). Workaholic; takes off "7 or 8" days a year. "There are parts of him that never leave the company behind." Lives a mile from parents, near where he grew up, prepped. Wary of new whiz kids: "Look, I'm a stick-in-the-mud, over-30 guy now." Donated $1.1 million to high school for science building. His 40% Microsoft worth at least $1.25 billion. Denies desire to move on: "We are on this ship, and I'm tied to the wheel."

Donald Leroy Bren

Real estate. Newport Beach, Calif. 55. Twice divorced; 3 children. Son of late Hollywood producer Milton Bren, stepson actress Claire Trevor, stepson Reagan confidant Earle Jorgensen. College ski scholarship but lost 1956 Olympics bid. Built first house 1958 (later sold to actress Jane Wyman). Fast expansion. Built and sold 2 home builders; repur-

Alan D. Levenson

Donald Leroy Bren

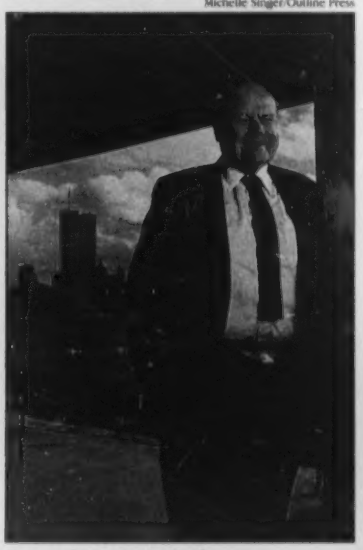
chased Bren Co. from International Paper at discount 1972. Broke his back piloting helicopter in crash 1969. Joined Irvine Ranch buyout 1977 with Taubman-Allen group *(see both)*. After rocky business relationship, bought out most partners for $560 million 1983. Now has 92% of 68,000-acre ranch (one-

sixth of Orange County). Rapidly expanded development mid-1980s, led to spiraling costs, inefficiencies. Recently revamped operations: made some layoffs, hired project managers. Heavy Republican giver, big art collector. Tanned, athletic, polished: "He is the classic playboy from the old mold." Worth at least $1.25 billion. "He wants to leave his mark on *something*."

Samuel Jayson LeFrak

Real estate. NYC. 69. Married, 4 children. Father Harry came from Russia 1905, opened glass shop. Sam wanted to be a dentist, switched to business; joined father's construction co. 1940. With postwar shortages, bought forests

Michelle Singer/Outline Press



Samuel Jayson LeFrak

for lumber, later manufactured own bricks, concrete. Built many apts. around NYC, including 40-acre, 4,650-unit Lefrak City in Queens 1960s. Charged with racial discrimination, consent decree 1973. Invested in oil & gas production 1970s. Now largest U.S. apt. owner, over 90,000 units: "Serve the mass, not the class." Building 400-acre Newport project in N.J. with Mel Simon *(which see)*; 9,000 apts., offices, malls, marinas: "the real Epcot." Also music publishing, management (including former Brooklyn tenant Barbra Streisand), Broadway, TV shows. Son Richard in business. Worth over $1.2 billion. "We're last of the dinosaurs."

Robert Muse Bass

Oil, investments. Fort Worth. 39. Married, 2 children. Third son of oilman Perry Richardson Bass, who vastly expanded holdings inherited from uncle, Sid Richardson. Perry retired, leaving family empire to management of eldest son Sid *(which see, also Edward Bass)*, who fortuitously steered investments out of oil, into stock (Texaco, Disney, etc.), real estate. Feeling overshadowed by Sid (both Andover, Yale, Stanford business grads), Bob formed Robert M. Bass Group 1983, moved own staff one floor down in Bass-built Fort Worth office tower: "We're not clones." Sold most Disney shares 1986 to invest in media (Taft Broadcasting, cable TV), manufacturing (National Distillers & Chemical, Bell & Howell), miscellaneous partnerships. Sinking other gains (Alexander's, etc.) into commercial real estate. Publicity-shy like father. Rumored political ambitions may change that: joined community stand against unsightly Fort Worth freeway 1984. Paid $2 million for U.S. Grant's Georgetown home 1985. With share in family-held assets, net worth estimated at least $1.2 billion.

Ben Weaver/Camera 5

Robert Muse Bass

Edward Lewis Gaylord

Broadcasting, publishing, real estate. Oklahoma City. 68. Married; 3 daughters, 1 son in business. Father E.K. bought into *Daily Oklahoman*

Edward Lewis Gaylord

1903, long among state's most powerful. Upon father's death (in 1974 at 101), E.L. at last came into own. Oklahoma Publishing Co. 1 newspaper, 5 TV and 3 radio stations, cable's Nashville Network, Grand Ole Opry, Opryland Hotel; 35% Texas (baseball) Rangers. Sold 2 TV stations 1987 for $425 million. Bought 20% Telerate 1985, sold half, profit so far: over $150 million. State's richest man, self-described capitalist, loves to rail against "liberal bubbleheads." On chain newspapers: "They don't care about the local community, only the cash register." On TV networks: "They're anti-American." Fortune estimated about $1.15 billion: "We don't like puffed-up numbers."

Forrest Edward Mars Sr.

Forrest Edward Mars Jr.

John Franklyn Mars

Jacqueline Mars Vogel

Candy. Son, 2 grandsons and granddaughter of Frank and Ethel Mars, Seattle candymakers. Moved to Minnesota 1920 after two failures, 1914 bankruptcy. Struck gold with Milky Way recipe 1923. Frank (d. 1934) financed son Forrest's British candy business to keep him distant. Forrest Sr: Las Vegas. 80s (spokesman: "Nobody's got the courage to find out how old he is"). Married; 2 sons, 1 daughter. Built empire abroad, returned 1940 as one-third owner; added M&M's, Uncle Ben's Rice. Bought out half-sister, got full

Forrest Edward Mars Sr. Greg E. Mathieson/MAI

control from rest of family 1964. Mars, Inc. now one of world's largest confectioners (also pet food, vending machines, world's largest maker of electronic coin-changers); sales estimated near $8 billion, over 30% of U.S. candy bar market. Quality ingredients, cheaper wrappers: "They don't eat the package." Supersecretive: Industry calls it the Kremlin of candy. Forrest Sr. retired 1973, runs fine chocolates boutique Las Vegas. Self-styled religious man: "I pray for Milky Way, I pray for Snickers." Forrest Jr.: McLean, Va. 56. Married, 4 daughters. Secretive like father. Once ran Dutch unit, now copresident, considered CEO. Created new image for candy: gives energy, not pimples; entering granola bar market. John: Arlington, Va. 53. Married; 1 son, 1 daughter. Called brusque, strong-willed; said to have inherited father's, grandfather's autocratic manners. Began in Australian operation, now copresident. Jacqueline: Bedminster, N.J. 48. Divorced, remarried; 3 children. Director. Children said to own all stock yet still visibly insecure at mention of father's name; these four share control of company believed worth over $4.6 billion.

Harold Clark Simmons

Investments. North Dallas and Montecito, Calif. 56. Twice divorced, remarried; 4 daughters. Son of Golden, Tex. schoolteachers, worked as bank examiner, bought Dallas drugstore for $5,000 at 29. Assembled 100-store chain (some in early hostile bid 1967), sold to Jack Eckerd Corp. for $50 million stock 1973. Via hostile raids, the "Texas Gunslinger" has collected greenmail (GAF, $138 million; Sea-Land, $89 million), mishmash of businesses from sugar refining to chemicals, fast food. "I enjoy finding values in companies that are worth more than I have to pay. Everybody's got to do something." Federal charges of misuse of pension fund, insurance co. assets for acquisitions eventually dropped. Prosecutor: "He's not a crook, but he forgets it's other people's money he is playing with." Also holds 51% NL Industries. Arthritis sufferer:

Harold Clark Simmons

has pledged $10 million to seeking cure. In 1987 rolled 2 public firms he controlled (LLC Corp., Amalgamated Sugar) into one public vehicle (Valhi Inc.), and came out with $1.15 billion.

Sol Goldman

Real estate. NYC. 70. Separated, 4 children. Quit Brooklyn College to work in father's grocery store 1935; began scooping up foreclosed properties for $500 down. Partners with Alex DiLorenzo Jr. 1951, moved into big leagues with Chrysler Building purchase 1960. Goldman-DiLorenzo became NYC's largest, most-leveraged landlord; almost destroyed in 1973-74 real estate crash, lost 40% of properties, including Chrysler spire. Split remainder with DiLorenzo's heirs *(which see)* 1977. Kept trading on own, now probably NYC's largest private landlord: nearly 700 parcels,

Sol Goldman NYT Pictures

5 million sq. ft. offices, over 10,000 apartments, etc. "He buys property the way other people buy common stock." Known as very tough landlord, frequent legal scrapes with tenants: "He squeezes every nickel out of every building." Continuing struggle with wife Lillian over separation settlement. Net worth should well exceed $1.1 billion. "If you keep your eye on the ball, you make money."

Margaret Hunt Hill

Inheritance, oil, real estate. Dallas. 72. Married, 3 children. Eldest child of H.L. Hunt *(see Hunt brothers, Caroline Hunt)*, who taught her oil business as a young woman. Wisely separated holdings—as did sister Caroline—from brothers after infamous silver play and reportedly forced them to put up personal assets as

J. Allen Hansley Photo

Margaret Hunt Hill

collateral. Sisters now suing to stay out of their bankruptcy, creditor suits. Margaret dominated family meetings, controls trusts for incapacitated brother Hassie. "In our family, we don't consider anything social. Whatever we do is all business." Presumed major Dutch North Sea oil stake. Also vast raw land in Dallas area, including beleaguered brothers' parcel bought at recent bank auction. Son Al unsuccessful independent movie producer. Fortune, including Hassie's share, estimated $1.1 billion.

Sid Richardson Bass

Lee Marshall Bass

Brothers. Oil, investments. Fort Worth. Two of the four sons of Perry Richardson Bass, whose uncle, oil legend Sid Richardson, started out with $40 from Perry's mother. Richardson (d. 1959) willed bulk of estate to foundation, rest to Perry, who built new oil empire, turned over to eldest son Sid: 44. Married, 2 children. Vastly enlarged fortune again, investing in stocks, real estate, yet oil holdings still extensive.

Anthony Savignano/Ron Galella Ltd.

Sid Richardson Bass

Ben Weaver/Camera 5

Lee Marshall Bass

Spied better oil bargains on Wall St. Biggest strikes: Marathon Oil ($160 million estimated profit), Texaco ($450 million). Riding big Disney stake, value nearly quadrupled since 1984 purchases. Owes much to longtime adviser Richard Rainwater *(which see)*, who departed 1986. Brothers Robert, Edward *(see both)* also went own ways, but family oil, real estate still jointly held; got private ruling from IRS 1985. Ultra-private Sid entered NYC high-society swirl at wife's urging, now facing divorce settlement rumored near $500 million. Reins partly handed to youngest brother Lee: 31. Married, childless. Yalie (as other 3), Wharton M.B.A. Two brothers' share of family assets, interests in various partnerships, 11% American Medical Intl., etc., etc., worth minimum $2 billion.

Laurence Allan Tisch

Preston Robert Tisch

Brothers. Loews Corp. Close-knit siblings went into hotel business with father 1946: 12-hotel chain by 1955; gained control of Loews 1960. Successful conglomerate now includes tobacco, insurance, hotels, Bulova watch. Gained 25% stake in CBS 1986. Larry recently named CEO and president after palace coup with ally William Paley *(which see)*. Brothers known as management/investment wizards. Larry: NYC and Rye, N.Y. 64. Married, 4 children. "Mr. Inside," behind-the-scenes strategic genius until CBS takeover brought into full view. Eldest son, Andrew, runs Bulova. Bob: NYC, Harrison, N.Y., Washington, D.C.: 61. Married; 2 sons, 1 daughter. "Mr. Outside," very cli-

Joe McNally/Wheeler Pictures

Laurence Allan Tisch

Preston Robert Tisch

John Troha/Black Star

ent-oriented. Now Postmaster General; successfully negotiated contract with union that eluded predecessors for 12 years. Brothers claim to have invented "power breakfasts" at their Regency Hotel 1976. Larry on dealmaking: "You wait until something feels right, until the moment gives you the prospect of success, and until the players involved look like they're going to fit together." Active philanthropists: millions to NYU (Tisch School of the Arts), Jewish causes. Brothers are very close, dine, play tennis together. With their 24% stake in Loews, real estate and other investments, worth over $2 billion.

David Rockefeller

Inheritance, banking, real estate. NYC, Tarrytown, N.Y. 72. Married, 6 children. Grandson of John D. Rockefeller; youngest of five brothers. Only one with successful career in traditional family business (the Chase Bank, now Chase Manhattan). Ph.D. economics 1940, CEO bank 1969-81. Assumed role as international statesman; ar-

Jacques Lowe/Woodfin Camp & Associates

David Rockefeller

rival in South American capitals sometimes sparked riots. Major role NYC real estate (including backing ill-fated Westway project). Embarcadero Center (San Francisco) coup: got 25% interest 1976 for $2 million investment; his stake now believed to be worth $80 million. Succeeded brother Laurance as chairman Rockefeller Brothers Fund, major philanthropic arm their generation. Oversaw family's recent cash-out on Rockefeller Center, acceding to wishes of cash-hungry younger relatives. His investments in real estate, share of family trusts believed worth over $1 billion.

Leonard Norman Stern

Pet supplies, real estate. NYC. 49. Divorced, remarried; 3 children by first wife. Father Max came from Germany with 2,100 canaries 1926; his Hartz Mountain sold birds, seed, cages. Leonard attended ye-

Sherrie Nichol/Crain's New York Business

Leonard Norman Stern

shiva, had M.B.A. by 21; took over floundering firm 1959, added dog and cat supplies, built into industry leader. Took public 1972, private again 1979. Hartz now has estimated 75% of market. Paid $10 million for 750 swampy acres around Secaucus, N.J. 1969: "I didn't know about the pig farms." Meadowlands, other N.J. developments now 30 million sq. ft., over half industrial-warehouse; also NYC projects. Paid $55 million for *Village Voice* 1985. Sparks drive to help NYC's homeless. Worth well over $1 billion. "It's one big hoot."

Carl Henry Lindner II

Insurance, banking. Cincinnati. 68. Married, 3 sons in business. After 8th grade delivered milk for family's Depression-hit dairy; opened ice cream store 1940 with brothers, $1,200; built into 200-store United Dairy Farmers. Entered S&L business 1959, with what became American Financial Corp., added casualty insurance 1971. Through

NYT Pictures

Carl Henry Lindner II

AFC (total assets, $7.5 billion) bought, patiently holds eclectic stocks: Penn Central, Taft Broadcasting, United Brands; said to outperform the Dow regularly. Notable flub: Mission Insurance Group, now in receivership. Consent decree with SEC, $1.4 million settlement, on security law violations 1979. Loves leverage, hates publicity: took AFC private 1981. Also controls Cincinnati's Provident Bank. Strict Baptist, hands out favorite adages on index cards (e.g., "I don't understand balance sheets very well, but I do understand people very well"). Collects handmade Stutz cars. Politically conservative, charitable: "I try to be nice because you meet the same people on the way down as you meet on the way up." With family's 100% AFC, believed worth at least $1 billion.

Roger Milliken

Textiles, investments. Spartanburg, S.C. 71. Married, 5 children. Grandson of Seth Milliken, who founded Deering, Milliken & Co. 1865 (William Deering left to found International Harvester). Held equity in, financed southern mills, took over when they were ruined in Depression. Roger now chairman Milliken & Co., world's largest private textile company (estimated 1986 sales, $2.4 billion). Roger anti-union: closed 700-employee mill 1956 after workers voted to unionize. Overruled by Supreme Court decision, settled with workers for $5 million. Also U.S. chauvinist: Led 1985 anti-import "Crafted With Pride" campaign: "We are sacrificing our industrial base on the altar of free trade, a god no other nation worships." Benevolent dictator supports conservative causes; otherwise low profile. Associate: "It's always been work, work, work." His interest Milliken & Co., estimated 20% Mercantile Stores, believed worth $1 billion. *(See also other Millikens.)*

Joan Beverly Kroc

Inheritance. La Jolla, Calif. 59. Divorced, widowed; 1 daughter by first marriage. Third wife of Ray Kroc, high school dropout and milk shake machine salesman who built McDonald's Corp., died 1984. Joan, former nightclub piano player, first married at 17 ("I wouldn't recommend it for anyone"). Married Ray 1968, 26 years his junior. Launched Operation Cork (Kroc backwards) 1976 to fight drug, alcohol abuse; now part of Joan B. Kroc Foundation. Gives away millions annually: $6 million to establish Notre Dame Peace Institute 1986, $3 million to New York AIDS project. "AIDS is on the top of my list right now." Also owns San Diego Padres baseball team, currently rebuilding. Vows turnaround: "You don't leave a ship with Titanic written on it." With McDonald's stock, other assets, net worth about $1 billion.

Stahl Photo-Graphics

Joan Beverly Kroc

$500 Million or More

William Bernard Ziff Jr.

Publishing. Manalapan, Fla.; Pawling, N.Y. 57. Divorced, remarried; 3 sons. Father was WWI flier, noted lecturer, author; founded Ziff Co. in 1927, became Ziff-Davis 1936. Upon his death 1953, William Jr., 23, joined firm: "It was wonderfully trivial and unimportant." Dropped academic career plans. Later bought out Bernard Davis, built into largest, perhaps most profitable special-interest magazine empire (50 titles incl. *Car & Driver, Modern Bride*). TV stations 1970s. Sold stations for approx. $80 million 1983; sold magazines to Rupert Murdoch *(which see)* and CBS for over $700 million 1985. Plans for cash unclear. Now in "semiretirement": "The money is not to build an empire. I want to cultivate my garden." Alters terrain of 39-acre upstate N.Y. spread at whim; relocated, expanded then razed mansion; new one under construction. Kept some magazines: Ziff Communications now 7 computer periodicals, database companies (revenues, $175 million); proved quite successful. Fortune, including $400 million trust fund to encourage sons' interest in computers, now close to $1 billion.

Kirk Kerkorian

Investments. Los Angeles, Las Vegas. 70. Twice divorced, 2 children. Son of Armenian immigrants, junior high dropout, amateur boxer. After WWII repaired, sold DC-3s; built charter airline, sold 1968 for eventual $104 million profit. Surprise 1969 MGM bid rejected, later paid $84 million for 40%. Master paper shuffler: $70 million profit on Columbia Pictures takeover 1981. Bought United Artists for $380 million 1981, merged with MGM; sold his 50% to Ted Turner for $500 million, stock; bought back UA for $480 million; sold MGM Grand Hotels for $287 million 1986. Sold Turner stock. Ended up with 79% of MGM/UA Communications. Picked up 2 casinos 1987. Worth at least $950 million.

Laurance Spelman Rockefeller

Inheritance. Investments. NYC and Tarrytown, N.Y. 77. Married; 3 daughters, 1 son. Grandson of John D. Rockefeller. From childhood, closest to brother Nelson *(see family)*. Early venture capital with principal from huge 1934 trust: Eastern Air Lines, McDonnell Douglas, more recent $100 million gain Apple Computer. Vast real estate; developed exclusive resorts: swanky, remote vacation spots. Some resorts and management arm sold 1986 to CSX. Proponent much-stalled NYC Westway project. Gave $36 million to Memorial Sloan-Kettering, $10 million to Princeton. His, family's portion Rockefeller fortune estimated over $900 million.

Average estimated net worth of the family groups on these pages is about $700 million.

William Clay Ford

Josephine Clay Ford

Brother and sister. Grandchildren of Henry Ford, founder Ford Motor Co. William Clay: 62. Grosse Pointe Shores, Mich. Married, 4 children. Served as Ford director while Yale undergrad. Now vice chairman. Insomniac; plays Space Invaders at night in home arcade. Extreme family man; pillar of his community. Owner of NFL Detroit Lions. Resents assertions that he owns team strictly as investment. "Stay out of his way if the Lions have lost." Wife is Martha Firestone. Low-key William was passed over for chairmanship when brother Henry II stepped down 1980; relations strained thereafter. Henry II had dominant role at Ford after father Edsel's death 1943: Led remarkable turnaround from $8 million loss 1946 to $260 million profit 1950. Retired as company employee 1982. Henry died of pneumonia September 1987, at age 70, leaving $500 million estate in stock, art, etc.; his son Edsel II active in company. William survives as family patriarch. With his Ford stock, Lions, personal golf course, real estate, net worth exceeds $900 million. "What William Clay Ford would like to say to ambitious Young Turks who dream of making that FORBES list is that being rich could screw up their lives." Josephine (Dodie): 64. Grosse Pointe Farms, Mich. Married, 4 children. Married into unrelated Ford family (banking). Extremely reticent, committed to family charities. Husband heads design firm, Ford & Earl Associates. Son Alfie a Hare Krishna. Dodie: "There are much worse things that a young man could do." Her stock, other assets, estimated to be at least $475 million.

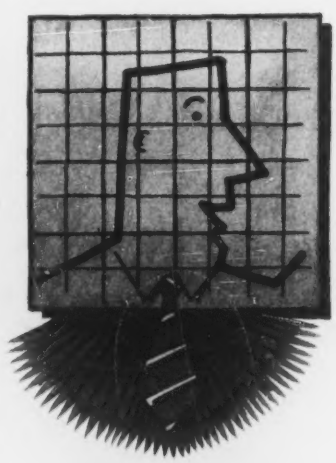
Caroline Rose Hunt

Inheritance, oil, real estate. Dallas. 64. Twice divorced; 5 children by first marriage. Second daughter of H.L. Hunt *(see Hunt brothers, Margaret Hill)*. Brothers' silver debacle prompted her and sister Margaret to separate holdings 1983; both suing to avoid creditor suits, bank-

ruptcy. Caroline builds, buys luxury hotels including Dallas' Crescent Court, Beverly Hills' Bel-Air, Hawaii's Hana-Maui. Sold one-third oil holdings (Rosewood Resources) 1985 to diversify further in real estate, stocks, venture capital. Made $30 million in failed Phillips-Van Heusen takeover bid. Cultivating reputation as "wealthiest woman in America," but probably not *(see Cox sisters)*. Worth $900 million.

Jack Kent Cooke

Real estate, media, sports. Middleburg, Va. 74. Twice divorced, remarried; 2 children by first wife. Canadian-born son of picture-frame maker ruined in Depression. Jack sold encyclopedias, soap door-to-door. Bought radio stations, newspapers with magnate Lord Thomson; assembled, sold industrial firms. Naturalized 1960 by act of Congress. Cable TV pioneer. Built Los Angeles Forum; bought 2 LA teams; sold all. Now owns DC (football) Redskins, NYC's Chrysler Building, LA *Daily News*. Paid $1 billion to reenter cable TV 1987. Amateur songwriter (member ASCAP). Net worth over $900 million. "Money is duller than peanut butter. Work is what's exciting."



69 members of The Forbes Four Hundred have fortunes derived principally from financial operations. (In 1986, 59.)

Jane Bancroft Cook

Inheritance (Dow Jones & Co.). Cohasset, Mass. and Sarasota, Fla. 75. Thrice widowed, once divorced. Only living grandchild of Clarence Barron of Dow Jones empire (*Wall Street Journal*, Dow Jones ticker, 1902; *Barron's*, 1921). Shy and reserved; Dow Jones director 1950-85. Once avid sailor and rider; played summer stock opposite Humphrey Bogart. Major benefactor Boston-area hospitals and schools. "She doesn't call attention to herself in any way. You would never know that she was one of the richest people in the country." Daughter Martha S. Robes now a director. *(See also Bancrofts, William Cox Jr.)* Jane's one-third of family stockholdings worth $900 million.

Doris Duke

Inheritance. Somerville, N.J.; Newport, R.I.; Honolulu; etc. 74. Twice divorced, no children. Father James Buchanan (Buck) Duke formed American Tobacco Co. from leaf overlooked by Yankees at North Carolina farm in Civil War; also Duke Power Co. Endowed Duke University, but Doris left so many millions known thereafter as "the richest girl in the world." Dogged by society, gossip reporters. Intelligent, scholarly knowledge Oriental art, primarily responsible for Newport, R.I. restoration. Visible in N.Y., Newport society, otherwise low profile. Fortune now believed worth over $875 million. $1 billion not impossible.

Katharine Graham

Washington Post Co. Washington, D.C. 70. Widowed; 4 chi'dren. Father Eugene Meyer bought bankrupt *Post* after building Allied Corp. forerunner, brief retirement. Kay, husband Philip took over 1946. After restoring *Post* to profitability, expanded, bought *Newsweek* 1961. Since Philip's death 1963, ex-housewife proved canny leader by publishing Watergate scoop 1972, settling violent strike 1975. "Whatever power I exert is collegial." Son Donald, 42, *Post* publisher since 1979; daughter Lally Weymouth *Post* writer. Also 4 TV stations, expanding cable (revenues $1.2 billion). Fortune is at least $875 million, much of it in children's names, trusts.

Paul Mellon

Inheritance. Upperville, Va. 80. Widowed, remarried; 2 children by first wife *(see Timothy Mellon, Catherine Conover)*. Grandfather Thomas started Mellon Bank forerunners, put venture capital into Gulf Oil, Alcoa, Koppers, etc. (family got significant stakes). Father, Andrew: U.S. Treasury Secretary 1921-32, founder National Gallery; d. 1937. Paul floated into, out of family businesses. Raises horses on 4,000-acre estate, collects art on giant scale. After art donations ($31 million for building, perhaps $100 million art to National Gallery; $18 million for building, perhaps $100 million art to Yale, etc.), net worth estimated over $850 million.

Charles de Ganahl Koch

David Hamilton Koch

Brothers. Oil services. Sons of Fred (d. 1967), cofounder Koch Engineering Co. 1925. Developed thermal cracking refining process 1928, sold 15 units to Stalin for first 5-year plan. Founding member John Birch Society 1958. Sons inherited small oil co., renamed Koch Industries; added refining, gas, chemical operations. Koch now oil industry giant, sales over $14 billion: "It's a company that steps hard and gets its way." Charles: Wichita, Kans. 51. Married, 2 children. Three MIT degrees; took over on father's death, now chairman. David: NYC. 47. Single. Joined Koch 1970, now executive v.p.; 1980 Libertarian v.p. nominee. Nasty court battle for co. control fought 1981-83 with brothers William (David's twin), Frederick *(see both)*: Bill sued Charles for "mismanagement"; Charles claimed Bill was "afflicted with psychiatric ailments." Settled 1983: Bill, Fred, others bought out for estimated $1.5 billion. David:

"They wanted a lot of cash and they got it. But we got the company." Charles, David each worth estimated $850 million.

Donald John Trump

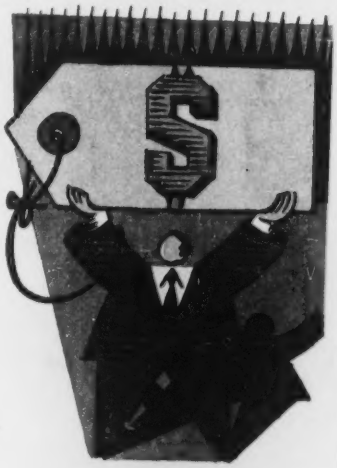
Real estate. NYC. 41. Married, 3 children. Father Fred was self-made builder; with Don, amassed 22,000 NYC apts. "Boy Wonder" built 3 Manhattan buildings: more headlines per sq. ft. than any other developer. Opulent Trump Tower a tourist mecca. Has 3 Atlantic City casinos; paid $101 million for control Resorts Intl. 1986. Seeking NBC as tenant for 100-acre West Side site; also proposed 150-story bldg.; public feud with "moron" NYC mayor over insufficient tax breaks for project. Lately greenmailing. Floated as presidential candidate. Worth at least $850 million; he claims $3 billion. On publicity: "Sometimes I'm surprised by it all. It's not something I personally enjoy."

Orville Wayne Rollins

Entrepreneur. Atlanta. 75. Married; 2 sons, both in business. Farm boy attended one-room school, earned $10 a week in textile mill. Into business with brother John *(see Near Misses)*: bottled water, auto dealerships, radio. Formed Rollins, Inc. 1948, grew by acquisition: media, oil & gas services, security systems, pest control ("As a rule, a woman won't put up with a roach for $10 per month"). Took public 1963, kept over 45%; split into three public firms 1984. Sold Rollins Communications 1986 for $280 million. Holds 11% Intermedics, 55,000 acres Fla., Ga. ranchland. Net worth exceeds $815 million. "The most difficult thing for me to do is turn over the running of my company."

Oveta Culp Hobby

Media. Houston. 82. Widowed, 2 children. Texas House parliamentarian at 20; failed bid for legislature at 25. Wed former governor, *Houston Post* publisher William Hobby (d. 1964). "Hobby team" added TV, radio. Liberal Republican, fashion plate. Has 3½-inch *Who's Who* entry: headed WACs 1942, made colonel; first HEW Secretary. Razed mansion 1973, moved to town house. Son William Jr. is Texas lieutenant governor; daughter Jessica Catto published *Washington Journalism Review*. H&C Communications sold *Post* 1983, bought Cowles Broadcasting 1985; now 6 TV stations, 1 radio. Fortune, in heirs' names, mostly controlled by Oveta, around $800 million.



18 members of The Forbes Four Hundred have fortunes derived principally from retailing. (In 1986, 22.)

David Howard Murdock

Investments. Bel Air, Calif. 64. Divorced, widowed; 2 children. High-school dropout built homes in Phoenix after WWII, made $100 million; retained $13 million after 1963 collapse. Recouped in Calif.: real estate, small companies; now Pacific Holding Corp., big companies. Made $50 million on Continental Group buyout, $100 million from Occidental Petroleum after tiff with Armand Hammer. Merged partly owned Flexi-Van with Castle & Cooke, sold most of Cannon Mills, 1985. Owns substantial real estate, Arabian horses, big Calif. ranch. Net worth valued well over $800 million. "Murdock is results oriented. He's not an introspective kind of person."

Harry Weinberg

Real estate, securities. Honolulu and Baltimore. 79. Married, 1 son. Austrian-born, 6th-grade dropout worked in father's repair shop. Started buying run-down Baltimore buildings 1930s. Used profits to buy public bus companies (NYC, Dallas, etc.) 1950s, 1960s; pattern of fare hikes, service cuts, strikes; many resold to cities. Drawn to Hawaii by transit company, stayed. "Honolulu Harry" fancies aloha shirts, intimidation: successful raids on Dillingham, Amfac, others 1960s. Lost Alexander & Baldwin proxy fight 1985, still holds 17%; also Maui Land & Pineapple. Bone cancer said to be in remission. With vast real estate, fortune—destined for charity—exceeds $800 million.

Marc Rich

Pincus Green

Trading partners. Zug, Switzerland. Both 53. Each married. Rich: 3 daughters. Green: 2 sons, 2 daughters. Rich is Antwerp-born son of burlap bag maker, banker; family fled to U.S. WWII. Quit NYU for Philipp Brothers' mailroom, where teamed with Brooklynite "Pinky." Together climbed ranks, helped build Phibro (now Salomon Inc.) into world's largest commodities trader; pioneered spot oil market 1968. Quit in huff 1973. Vendetta was Marc Rich & Co.'s raison d'être: pirated Phibro execs and business; now perhaps 2nd-largest trader (over $12 billion revenues). Rich, nervy speculator, known as El Matador for manipulating bull markets (early Eighties conspiracy with Malaysians led to tin market crash). Pinky, shipping expert, dubbed The Admiral. Traded Iranian crude during hostage crisis; dodged $48 million tax. Rich bought Twentieth Century Fox with Marvin Davis *(which see)*, later sold. Pair fled U.S. 1983 ahead of 65-count indictment (tax evasion, fraud). Company paid $150 million settlement 1984, $21 million fines. Still on lam; Marc took Spanish

citizenship, Pinky Bolivian; State Dept.: They're Americans. Lately polishing image, scheming to corner aluminum market. Rich: "I'm a modest, quiet person who has never done anything illegal." Together worth at least a quiet if not modest $1.5 billion.

Fred Trammell Crow

Real estate. Dallas. 73. Married, 6 children. Bookkeeper's son, raised poor. Bank teller, CPA; WWII naval accountant. Rented out vacant warehouse 1947. Heeded calling: built warehouses on spec. Turning point: Dallas Furniture Mart 1957; now his Dallas trade marts total 9 million sq. ft. Next, offices, apts.; grew exponentially. Almost destroyed in 1974 real estate crunch; gave up some operational control; recovered dramatically. Today by far nation's number one developer: Crow keeps estimated 20%, gives partners and managers equity. Increasingly far-flung company recently reorganized, some functions centralized, some partners quit. With 3 kids active in business, worth at least $750 million. "More than anyone, Trammell simply believes real estate is good."

Winthrop Paul Rockefeller

Inheritance. Winrock Farm, Ark. 39. Divorced, remarried; 3 children by first wife. Great-grandson of John D. Rockefeller. Father Winthrop (d. 1973) leveled top of Petit Jean Mountain to create Winrock Farm; twice Republican governor. Win Paul product of brief, scandalous union with Barbara (Bobo) Sears; sent to European boarding schools, Oxford (flunked out). Runs Winrock, increasingly active Ark. business, esp. banking; also Little Rock social scene. Hunts, skis; cruises with local sheriffs on duty, set up Law Enforcement Assistance Foundation. His share family fortune estimated over $750 million. *(See also other Rockefellers.)*

Norton Winfred Simon

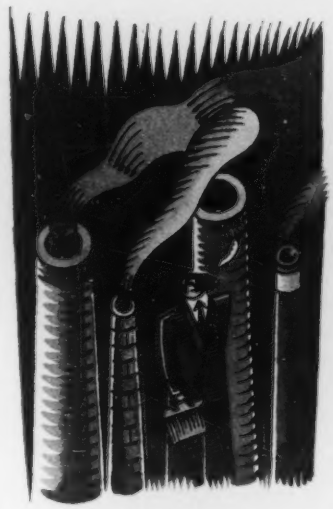
Industrialist, art collector. Los Angeles area. 80. Divorced, remarried; 2 sons (1 deceased). Raised in Portland, Ore. as "mossback" conservative. As youth bought bags, towels, tissues from manufacturers to sell to local merchants. Dropped out of Berkeley after 6 weeks, turned around bankrupt orange juice plant. Gained control Hunt Foods 1943. Built conglomerate Norton Simon, Inc. (Hunt-Wesson, Simon & Schuster). Quit 1969, devoted wealth to art collecting. "Acquisitiveness is a disease which you can get in money or business or politics or art." Donating collection to UCLA. Negotiations for transfer in process. Collection alone is valued at $750 million.

Bob John Magness

Cable TV. Englewood, Colo. 63. Widowed, 2 sons. Oklahoma-born son of refrigerator salesman, worked as roughneck, cottonseed buyer for Anderson Clayton after college. Introduced TV to rural towns via cable: laid first system in Texas Panhandle 1956 with help of late wife and $500. The "old pole climber" formed Tele-Communications, Inc. 1968, now nation's largest cable TV firm (interests in 7.7 million subscribers) with simple formula: install system in small towns, depreciate, sell, buy franchises in larger towns. Collects Western art, raises Arabian horses. With 11% TCI, stock in related firms, worth $740 million.

An Wang

Wang Laboratories. Lincoln, Mass. 67. Married; 2 sons, 1 daughter. Born Shanghai; An Wang means "peaceful king." Studied engineering at Chiao Tong Univ., came to U.S. 1945. Ph.D. physics at Harvard. Invented magnetic core memory at 28, sold to IBM for $400,000. Began Wang Labs 1951. Developed first logarithmic calculator, computers. Son Frederick, 37, now president, expected to succeed dad: "My children should be more highly motivated than a professional manager because of their substantial stake." Hit by industry slump, Wang and immediate family control stock worth $725 million. "If you go for a long time without shooting yourself in the foot, people start calling you a genius."



84 members of The Forbes Four Hundred have fortunes derived principally from manufacturing. (In 1986, 92.)

Edward Perry Bass

Oil, investments. Fort Worth. 42. Single. Second son of Perry Richardson Bass, nephew of wildcatter Sid Richardson, who willed some West Texas oil holdings to Perry upon his death 1959. Perry built up, turned over to 4 sons *(see other Basses)*. "Black sheep" Edward reportedly funded "intellectual cult," facilities from New Mexico to India. Meeting observer: "It was mental torture." Built Fort Worth avant-garde nightclub Caravan of Dreams. Spending $30 million on enclosed ecosystem in Arizona desert: possible first step toward inhabiting Mars. Passive investor in some family deals: "A lot of things I just have to read about in the paper." With family-held oil, real estate, stock, estimated worth $725 million.

Michel Fribourg

Grain trader. NYC. 74. Widowed, remarried; 5 children. Belgian family began trading grain 1813. In

1848 drought, his great-grandfather swapped several trunks of gold for Ukrainian wheat for hungry countrymen. Started Continental Grain in U.S. 1921; Michel relocated to U.S. after France fell 1940. Michel (Army intelligence WWII) took over after father's death 1944. Controls 20% world grain trade, revenues over $13 billion (2nd to Cargill, *which see*). Surrounds self with talent: "many egos, but only one opinion." Still chairman; son Paul, group president. With 10% Overseas Shipholding, 90% Continental, net worth should be over $700 million.

Jack Rudin

Lewis Rudin

Brothers. Real estate. NYC. Jack: 63. Widowed, 3 children. Lew: 60. Twice divorced, 2 children. Father Samuel and brothers founded Rudin Management 1924 to run a few tenements. Sons joined firm 1946. Family philosophy: Never sell (still own first building, bought 1902). Today over 3,300 Manhattan apts. With current projects, over 8 million sq. ft. prime office space; most of it built pre-1972, now carries little debt, extremely profitable. Jack in charge of construction, Lew handles finance, management. Lew a big NYC booster; founded, heads Association for a Better New York: "I cannot separate myself from the city any more than we can separate our buildings from New York." Named Commander of the Most Excellent Order of the British Empire, 1979, for getting landing rights for Concorde. Family's equity estimated over $1.4 billion.

16 members of The Forbes Four Hundred have fortunes derived principally from agriculture. (In 1986, 16.)

Donald Worthington Reynolds

Publishing, cable TV. Las Vegas. 81. Divorced, twice widowed; 3 children. Peddled groceries in Oklahoma with father, hawked newspapers at 12. Worked through University of Missouri, journalism major. Took WWII shrapnel in head: "It got rid of my sinus problem." Fired from several jobs; finally held $35-a-week newspaper position; always saved half of salary for investment. Built Donrey Media Group: 57 dailies, 73 nondailies, 3 radio stations, 1 television station, outdoor advertising company, stake in cable TV firm with friend Robert Howard *(which see)*, who will be executor of his estate. Children, not involved in business, will receive just $50,000 a year; foundation will inherit company worth an estimated $700 million.

Saul Phillip Steinberg

Financier. NYC. 48. Twice divorced, remarried; 6 children. Brooklyn-born son of rubber manufacturer, read financial page for fun, Wharton grad at 19. Founded computer leasing firm with father's $25,000 in 1961, took high-flying Leasco public 1965. Acquisition binge: bought control of staid Reliance Insurance 1968; failed run at Chemical Bank 1969 made enfant terrible fame. Took Reliance private 1982 for $550 million, public again 1986; stake nearly quadrupled in value. Firm's underwriting losses balanced by greenmail (Disney, etc.), investments (Days Inn, Telemundo, junk bonds). Enamored of social whirl; art collector. Worth at least $660 million.

Gerrish Hill Milliken

Minot King Milliken

Cousins. Textiles, investments. Deering, Milliken & Co. founded 1865 as dry goods jobber by grandfather Seth and William Deering (later left to found International Harvester). Seth financed southern mills, took over when Depression crippled them; Milliken & Co. now world's largest private textile firm. Company painfully private; discontinued annual promotional show: "They never did put on much dog." Also est. 20% Mercantile Stores stock. Gerrish: Greenwich, Conn. and NYC. 70. Married; 4 sons, 2 daughters. Started in family business as salesman in automotive division Detroit late 1930s; became general manager; retired 1986 but maintains New York office. Brother of Roger Milliken *(which see)*. Their cousin Minot: NYC. 71. Married; 4 sons, 1 daughter. First job in finance department, now treasurer. Gerrish estimated $650 million; Minot, $325 million.

John Murdoch Harbert III

Construction, investments. Birmingham, Ala. 65. Married, 3 children. Returned WWII with $6,000 craps profits won on ship; tried taxidermy ("I skinned a crow. It looked like a duck when I got through"); invested instead in concrete mixer, tools. Went broke 3 times in first 20 years but "our creditors remained unaware of the seriousness of our situation." Got local bridge contract, then highways, pipelines, buildings; Harbert Corp. revenues estimated over $500 million. Minor partner with T. Boone Pickens in failed 1986 Diamond Shamrock takeover. With 75% Harbert Corp., $400 million Amoco stock, other assets net worth over $650 million.

Walter Hubert Annenberg

Publishing. Wynnewood, Pa.; Rancho Mirage, Calif. 79. Divorced, remarried; 1 daughter (1 son deceased). Son of Moses Annenberg, colorful founder predecessor Triangle Publications *(Philadelphia In-*

quirer, Daily Racing Form), jailed for tax evasion, d. 1942. Callow Walter inherited debt-ridden firm age 32. Started *TV Guide* 1953, now largest circ. magazine in U.S. Also *Seventeen, Good Food*. Sold *Inquirer* 1970 to Knight-Ridder citing lack of heir. Ex-ambassador to Court of St. James's. Triangle worth over $1.6 billion, of which Walter directly owns 20% after donating much family stock to foundation, communications school (shares in trust income with sisters, *see family*). Billionaire 1986; now, with art, real estate, worth $650 million.

Eugene Smith Pulliam

Central Newspapers, Inc. Indianapolis, Ind.; Scottsdale, Ariz. 73. Married; 2 daughters, 1 son in business. Father Eugene Collins Pulliam started as reporter, purchased *Atchison* (Kans.) *Champion* 1912. Bought, sold string of others (23 during Depression alone) over 4 decades. Crusading conservative recruited Barry Goldwater to politics. Son Gene worked as UP reporter 1935, radio news editor. Joined family papers after WWII Navy duty, took over on father's death 1975. Central Newspapers now 7 dailies (incl. *Arizona Republic, Indianapolis Star* and *News*), 1 weekly. Controls trust worth estimated $650 million with stepmother Naomi (Nina), 81, and associate William Dyer, 84.

Curtis Leroy Carlson

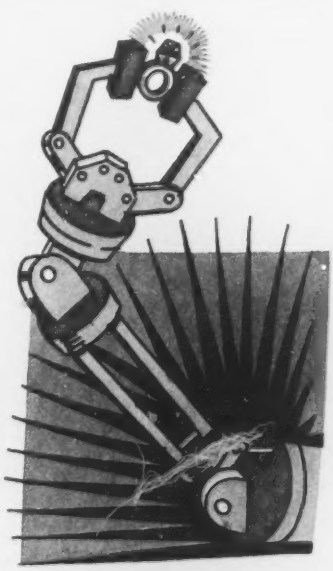
Entrepreneur. Minneapolis. 73. Married, 2 daughters. Son of Swedish immigrant grocer; Procter & Gamble soap salesman; quit to begin Gold Bond Stamp Co. 1938. Carlson quickly diversified in wake of market saturation. Acquired Radisson hotel chain, Country Kitchen International and TGIFriday's restaurants, Ask Mr. Foster travel agencies; incentive/sales promotion programs for businesses. Carlson Cos. revenues now approach $4 billion, among top 20 private companies in U.S. On staying private: "Why give the truck away to get some gas?" Donates 5% pretax profit to charity. Worth at least $640 million. "The best single index of a man's accomplishment is how much money he makes."

Paul Gardner Allen

Microsoft. Bellevue, Wash. 34. Single. Attended Seattle prep school with boyhood friend William Gates *(which see)*. First joint venture: microcomputer to determine traffic patterns. Problem: State of Washington gave away same information for free. "We decided to go into more profitable areas." Second venture: Microsoft, 1974. Now biggest seller computer software. Left Microsoft 1983, beat Hodgkin's disease with radiation therapy. Founded Asymetrix Corp. 1985 for advanced micro software. Avid basketball fan, sails, plays chess. Jams weekly with band on guitar. Retains 22% of Microsoft worth $640 million. "We're looking to have fun here, too."

Leon Hess

Amerada Hess Corp. NYC and Deal, N.J. 73. Married, 3 children. Father Mores Hess came to U.S. from Lithuania 1904. Young Leon rescued father's ailing gas and coal business by delivering home-heating and residual oil in 1929 Dodge truck. Built truck fleet to deliver resid while still hot, hence liquid. Expanded backwards into exploration, refining, also retailing. Today 13th largest U.S. oil firm. Merged with Amerada Corp. 1969. Son John senior exec v.p. With Hess stock and NY Jets ("An old man's hobby") worth $625 million. "I got into oil because I was basically lazy. I didn't want to carry 100-pound bags of coal for my father."



16 members of The Forbes Four Hundred have fortunes derived principally from high technology. (In 1986, 10.)

Sigfried Weis

Robert Freeman Weis

Cousins. Weis Markets, Inc. Sigfried: Lewisburg, Pa. 71. Robert: Sunbury, Pa. 68. Both married, 3 children each. Began as cash-'n'-carry grocery store (1912), now 117 stores throughout Pa., N.Y., W.Va., Md. Profit margin remains 4.5 times higher than industry average. Secret of success: vertical integration (they make 1,500 private-label products for own stores). Expansion carried solely on company funds, zero debt. Careful controls: "Success is measured in many tangible ways." Also Amity House family-style restaurants (ice cream, sandwiches). Mild-mannered Sig, president, collects antiques, owns 34% Weis stock worth over $620 million. Behind-scenes Robert, VP, owns 28%, worth over $510 million. His sister Ellen has another $155 million worth.

Henry Earl Singleton

Teledyne, Inc. Los Angeles. 70. Married, 5 children. Texas rancher's son dreamed of creating great corporation. He did, after Annapolis, MIT, Hughes Aircraft, Litton Industries. With Litton pal George Kozmetsky, backing from financier Arthur Rock *(see both)*, started Teledyne 1960s; now over 100 companies from Water Pik to zirconium production. Tight-lipped strategist: Teledyne President George Roberts learned of $400 million stock buyback after fact. Successfully spun off subsidiaries American Ecology 1984, Argonaut Group (ins.) 1986.

Rumors of Teledyne sale or breakup but "that's just wishful thinking." His Teledyne stock, other assets worth $615 million.

Michael Robert Milken

Financier. Encino, Calif. 41. Married, 3 children. CPA's son, high school cheerleader. At Berkeley, studied furtively into night. Straight A's at Wharton while working for brokerage that became Drexel Burnham Lambert; there invented market for junk bonds on premise that clear-eyed management scarcer than capital. Paved way for LBOs; clients include Carl Icahn, Saul Steinberg *(see both)*. Made real estate fortune buying sick REITs 1970s. One of nation's most powerful men, at once investment banker, trader, investor: "You have to embrace change, not fight it." With 6% Drexel, untold investments, real estate, believed worth far over $600 million. Reportedly focus of SEC insider trading probe; remains unindicted.

Samuel Curtis Johnson

S.C. Johnson & Son. Racine, Wis. 59. Married, 4 children. Great-grandson of parquet flooring salesman who founded wax co. 1886. Fended off Depression with Glo-Coat floor wax; 1986 estimated sales $2 billion. Sam joined 1954, chairman 1967. Urged nonwax items (Raid, Glade); personal care (Edge, Agree); via joint venture bought into Minnetonka's Check-Up toothpaste line, 1987. Taking public $200 million recreation company soon. At all but 60, just got license to pilot jets. Four children now with firm: Curt, 32, runs $90 million Wind Point venture capital fund in which SCJ&S has significant interest; also Helen, 30; (Dr.) Fisk, 29; Winifred, 28. Sam's 60%, other assets worth over $600 million. "The large, family-owned company is becoming an endangered species."

Robert Henry Dedman

Country clubs. Dallas. 61. Married; 1 son, 1 daughter. Born poor in Rison, Ark. Got business, engineering, 2 law degrees after Navy. Successful attorney for H.L. Hunt *(see Hunts)*. Opened Brookhaven Country Club, Dallas, 1957, as sideline; sideline took over. Added city clubs 1965. Big expansion 1970s; city clubs anchored new office bldgs. Club Corp. of America, foreign operations now total 225 clubs, 400,000 members, $500 million revenues. Also resorts, real estate, investments. Huge cash flow from dues, etc. Gave $25 million to SMU, $10 million to U. of Texas; plans to give one-third of fortune away: "They don't put luggage racks on hearses." Net worth exceeds $600 million.

Robert William Galvin

Motorola. Barrington Hills, Ill. 65. Married, 4 children. Father, Paul Galvin (d. 1959), started 1928 manufacturing car radios; made walkie-talkies WWII. Robert groomed for business from childhood, addressed Motorola distributor meeting at 16. President 1956; chairman 1964. Sold off TV manufacturing 1974; built last car radio 1984, but diversification into semiconductors, cellular phones, electronics products has paid off. "I obviously inherited the right to leadership; hopefully I earned the right to continuance." Lives on farm, enjoys outdoors: skiing, windsurfing. His 7% Motorola stock, owned with family, worth $600 million.

William Walter Caruth Jr.

Real estate. Dallas and Crystal River, Fla. 75. Married; 4 children, 2 nephews. Grandfather opened general store 1849, used earnings to buy land, amassed 30,000 acres. Father sold some, turned over the rest to Will Jr. 1937, who developed and sold for decades: "Grandfather acquired the land, father held it, and I harvested." Family ranch now North Dallas—"Will Caruth's backyard" to some. Typically sold land relatively cheap, kept 50% interest in development. Proceeds in huge stock, bond portfolio. Has ranches and hotel in Florida. Almost all in family trusts (wrote himself out of his father's will), but controls fortune believed worth $600 million or more.

Harvey Roberts (Bum) Bright

Oil, real estate, trucking, banking. Dallas. 67. Widowed, remarried to secretary; 4 children. After Texas A&M, WWII, worked for Sun Oil Co.; went on own trading oil leases, had $12.76 on 27th birthday. Went into real estate 1958 (holds 2,500 prime acres near Dallas), trucking (mostly sold off), financial services: Bright Banc ($5 billion assets) is state's second-largest thrift; also huge mortgage co. General partner, owns 40% of Dallas Cowboys. Highly superstitious: arranges bills in wallet by serial number; brushes teeth and shakes shaving cream can lucky numbers of times, etc. Worth at least $600 million. Courtly, nonstop dealster: "I'm still afraid of going broke."

75 members of The Forbes Four Hundred have fortunes derived principally from media enterprises. (In 1986, 58.)

Edward Crosby Johnson III

Money management. Boston. 57. Married; 2 daughters, 1 son. Brahmin lawyer Edward II bought ailing Fidelity Management Corp. 1946, established as leading mutual fund

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manager. Son "Ned" CEO 1972, steered through industry doldrums 1970s; FMC is second-largest money manager (after Merrill Lynch): $3 billion 1974, now $65 billion. Clever inventor of funds, contrarian: views magazine covers as contrary indicator. Colleague: "Ned runs the company like a giant chess board." Spreads stock to valued employees; reportedly keeps 71% voting stock, 41% nonvoting in family trusts. Net worth at least $600 million. Not voluble: "My orientation is to wash my own laundry."

Roy Merrill Speer

Lowell W. Paxson

Partners. Home Shopping Network. Clearwater, Fla. Speer: 55. Married, 3 children. "Bud" Paxson: 52. Married, 5 children. Entrepreneurs with idea for the 1980s: televised retail ("half flea market, half telethon"). Viewers phone in orders, money flows to HSN. Paxson: "When America beats a path to your door, you better have a big path." Home Shopping Game Show premiered June, lasted 3 months. Abbott-and-Costello-like pair: Paxson 6-foot-6, gangly, professorial promotion man, former radio host. Speer 6-foot-2, 260-pound ex-Florida assistant attorney general; had Puerto Rican vegetable farm wiped out in early 1970s. "After that I made an agreement with God. If he wouldn't send me any more hurricanes, I wouldn't grow any more vegetables." President Bud's 39% HSN worth $385 million. Chairman Roy's 23% (100% Class B stock), other assets, worth $600 million.

Joe Lewis Allbritton

Broadcasting, banking. Houston; Washington, D.C. 62. Married, 1 son. Born in D'Lo ("Damn Low") Mississippi, son of Houston cafe owner. Practiced law in Houston, made first million at 30 cofounding a Texas S&L, buying Houston acreage with bank loans. Bought, sold now-folded *Washington Star*, but kept D.C. TV station (worth $300 million). Allbritton Communications now 5 TV stations, 1 newspaper. Borrowed heavily to buy 41% Riggs National Bank, symbol of blue-blood Washington: "It'll be the principal bank in the capital of the Free World." Set up fund (Allco

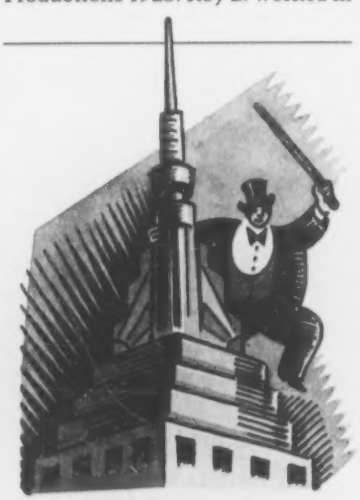
Corp.) 1987 for TV station buyouts. Net worth, incl. insurance, real estate, at least $575 million.

Donald George Fisher

The Gap Inc. San Francisco. 59. Married, 3 sons. Star swimmer, Berkeley grad 1950. Entered family contracting/real estate business. One tenant, Levi Strauss & Co., provided jeans for first Gap store, 1969. Arranged clothes by size rather than style for shopping-haters like Don. Prospered in 1970s jean craze. Lost patronage as baby boom grew up; competition from big retail chains caused stock collapse 1983. Revamped for older audience, diversified, remodeled stores (682 outlets, 1986 sales: $848 million). "We convey a singular point of view." Acquired Banana Republic catalog operation 1983, now 78 stores. Wife Doris merchandising consultant. Together own shares worth $575 million, sons another $310 million.

Roy Edward Disney

Walt Disney Co. Los Angeles. 57. Married, 4 children. Father Roy O., famous uncle Walt started Disney Productions 1923. Roy E. worked in studios for 23 years, quit after fight with Walt's heirs over creative control, company direction: "It became a real estate company that also happened to make movies." Returned 1984 as vice chairman; reemphasized animated movies. Also Shamrock Holdings (TV and radio stations, pieces of 3 public companies, real estate, etc.). Avid sailor; competes in biannual Transpacific Yacht Race. 1987 finish: 6th. His 3% Disney, Shamrock, other assets, worth $560 million. "I'm enormously happy."



28 members of The Forbes Four Hundred have fortunes derived principally from New York City real estate.

Carl Ray Pohlad

Banking, investments. Minneapolis. 72. Married, 3 sons in business. Son of Iowa RR brakeman, left college to sell cars. Took charge part-owned Minneapolis bank holding co. after brother-in-law CEO died 1955. Bought, rejuvenated dozens of upper Midwest banks: "We do things in a small way and let them grow." Revived, sold stake in Pepsi bottler MEI Corp. to PepsiCo 1985 for $143 million. Partner of Irwin Jacobs *(which see)*, director Texas Air. Owner Minnesota (baseball) Twins; also suing for control (football) Vikings, holds 51% nonvoting stock with Jacobs. With over 30 banks, investments (MEI Diversified, Minstar, etc.), net worth at least $550 million.

Charles Francis Dolan

Cable television. Oyster Bay, N.Y. 61. Married, 6 children. Raised in Cleveland, earned $2 a week writing Boy Scout column for local paper at 15. Arrived New York 1952, made industrial films; big break came wiring NYC hotels for TV news service 1960. Won lower-Manhattan cable franchise 1965. Created Home Box Office, sold to Time Inc. 1973. Cablevision Systems, other cable interests total nearly 1 million subscribers, also sports programming, American Movie Classics. "We get a lot of credit, sometimes more than we deserve. More blame, too." Avid sailor, tennis buff: "By my standards, I'm terrific." "Dennis-the-Menace" looks. Chuck's 66% interest in Cablevision, private cable systems worth over $550 million.

Helen Kinney Copley

Publishing. La Jolla, Calif. 64. Divorced, widowed; 1 son by first marriage. Answered ad for newspaper's secretary job, in hall met James S. Copley, adopted son of publisher Colonel Ira Copley (d. 1947), worked for him 12 years before romance kindled: "I'll never know what he saw in me. I was so pathetically shy." Married 1965, took over after husband's death 1973. Sold unprofitable papers, trimmed fat, improved editorial, expanded. Copley Newspapers now 13 dailies (including flagship *San Diego Union/Tribune*), 29 weeklies, cable TV. Son David, 35, now senior v.p., possible successor. James' 2 children from previous marriage retain stake. Helen, family hold estimated 90% worth $550 million.

29 members of The Forbes Four Hundred have fortunes derived principally from oil & gas. (In 1986, 48.)

Richard Mellon Scaife

Inheritance, publishing. Shadyside, Pa. (Pittsburgh). 55. Separated, 2 children. Great-grandson of Judge Thomas Mellon. Once negotiated to buy *Harper's* magazine, "Citizen Scaife" now owns several small to midsize newspapers (sold two to Thomson Group 1985), which must promulgate his conservative ideology. Dislikes publicity, refuses to use middle name (thought

father Alan Scaife treated shabbily by Mellons). Still most prominent Mellon of his generation. Doesn't speak to sister Cordelia Scaife May *(which see)*. Large contributor to right-wing leaders, think tanks. Vigorously denies estimate, but believed worth at least $550 million. *(See also Mellons, Currier family.)*

Donald Joyce Hall

Barbara Hall Marshall

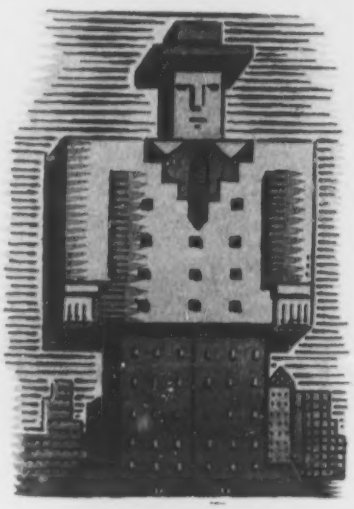
Elizabeth Ann Reid

Brother and sisters. Hallmark Cards. Kansas City. Children of Joyce Hall (d. 1982), midwestern preacher's son, began distributing postcards 1906; soon, greeting cards. Long foremost card company, approaching $2 billion revenues. In over 100 countries. Accessories nearly half revenues (gift wrap, fuzzy animals, paper plates.) Company diversifying: recently co-purchased 11 TV stations (Spanish-language). Also own Binney & Smith (Crayola crayons); Crown Center development in KC, site of tragic hotel collapse. Generous employee stock plan but family keeps two-thirds stock. Donald: Mission Hills, Kans. 59. Married, 3 children. As Hallmark chairman peddles sentimentality, but "the worst thing you can do in front of Don Hall is to show emotion." His half family stock worth $550 million. Barbara: Kansas City, Mo. 64. Widowed, children. Often judges card design; owns stock worth $275 million. Elizabeth: Denton, Tex. 66. Married, children. Owns stock worth $275 million.

William Ingraham Koch

Frederick Robinson Koch

Brothers. Oil services. Two of four sons of Fred Koch (d. 1967). Father counseled his "dear boys": "Be kind and generous to one another." Bitter 3-year battle for control of Koch Industries ended 1983 with estimated $1.5 billion buyout of Bill, Fred, other relatives by brothers Charles, David *(which see)*. Bill: Boston. 47. Married, 1 child. David's twin. Heads Oxbow Corp., energy trader, investor. Formerly big



73 members of The Forbes Four Hundred have fortunes derived principally from real estate.

contributor Boston Museum of Fine Arts. His share of buyout, other assets worth at least $550 million. On leaving company: "The best thing that happened to me personally was to get fired." Fred: Monaco, London, NYC. 54. Single. Family black sheep written out of father's will, allegedly because of art, theater interests. "Freddy sort of segregated himself from the family very early on. And everyone was more comfortable with that." His share of buyout less, but worth at least $375 million. "He is the smartest of all four—and by far the best company."

Charles Henry Dyson

Conglomerator. NYC. 78. Married; three sons, 1 daughter. Price Waterhouse CPA; consultant to War Secretary 1941; represented Treasury at Bretton Woods 1944. Worked at Textron postwar; too slow to diversify, departed 1949. With former colleague Franklin Kissner, as Dyson-Kissner (now also Moran) Corp., built up own conglomerate. Now interests in 8 public companies, 28 private, sales over $1 billion; much real estate. "We're always into something new." Acquisition Criton Corp. 1982 figured in SEC insider trading charges against Dennis Levine. "I don't know what we could do. You can't be more secretive than we are." His 91% worth at least $550 million.

Roy Hampton Park

Park Communications. Ithaca, N.Y. 77. Married; 1 son, 1 daughter. N.C. farm boy, entered N.C. State at 15; worked as AP stringer, ran college paper. After PR stint for cotton growers, bought Ithaca ad agency 1942; ran Thomas Dewey ad campaign: "If he'd won, I'd be a happy retired bureaucrat." Set up Hines-Park Foods under Duncan Hines label 1947, sold to Procter & Gamble 1956 for stock. Bought first TV station, in N.C., 1962. Park Communications now 7 TV stations, 19 radio, 101 publications; owns 89%. Collects cars; wife raises peacocks. With stocks, real estate, net worth over $550 million. "Wealth isn't a very important measuring stick."

Jerry J. Moore

Shopping centers. Houston. 59. Married, 3 children. Son of poor Polish immigrants. Started plumbing business at 18, then sold vacuum cleaners. Built homes, began buying strip malls 1966. Kept buying, rehabbing, raising rents. Now has 18 million sq. ft. strips, 85% in Houston: "If I don't buy one center a week, I get a migraine." Family works in business. Lives in 40-room 18th-century French château transplanted to Houston. Top-flight classic auto collection, 270-strong, includes 28 Duesenbergs. Classic Texas good old boy persona, except worth at least $550 million. "If I continue until age 70, God willing, there ain't gonna be five people in the U.S.A. who have more money than me."

Sumner Murray Redstone

National Amusements Inc., investments. Newton Centre, Mass. 64. Married; 1 son, 1 daughter. Son of drive-in theater owner. As Harvard student, broke Japanese codes for

military WWII. Practiced law briefly; quit, built 390-screen National Amusements Inc. (est. 1986 revenues $160 million). Made millions on Twentieth Century Fox, Columbia Pictures takeovers, MGM-UA Home Entertainment buyback. Acquired entertainment giant Viacom Intl. 1987 in $3.2 billion LBO: "It was like a war. We were going 28 hours a day." Teaches entertainment law class at Boston U. Badly burned in 1979 fire, survived 30 hours of surgery. With 100% Natl. Amusements, other assets, net worth at least $535 million.

Alex Manoogian

Richard Alexander Manoogian

Father and son. Masco Corp. Grosse Pointe Farms, Mich. Alex: 86. Married, 2 children. Armenian immigrant, arrived U.S. 1920; started small screw manufacturing business 1929. Went public 1936; breakthrough invention, single-handed Delta faucet, 1954. Currently chairman emeritus. Immensely charitable in support of Armenian culture worldwide. Donated former residence in Detroit for mayoral mansion 1965; many other philanthropies. Alex' shares Masco Corp., other assets, worth over $250 million. Richard: 51. Married, 3 children. After Yale, led diversification into auto parts, oilfield products, industrial components, home furnishings; acquired about 100 cos. starting early 1960s. Masterminded spinoff of Masco Industries (commercial products) from Masco Corp. (consumer products) 1984. Now chairman of both. Major art collector, some 1,800 paintings, primarily 19th-century American. Recently paid $6 million for Bingham's *The Jolly Flatboatmen*, highest reported price for an American painting. "When a major American picture comes up, it's offered to Manoogian first." Stock and art valued over $530 million.

12 members of The Forbes Four Hundred are Texas oilmen.

Oakleigh Blakeman Thorne

Commerce Clearing House. Millbrook, N.Y. 55. Divorced, remarried; 3 sons, 1 daughter. B.A. Harvard, 1954. Great-grandfather Oakleigh Thorne, a thrifty Quaker, bought CCH 1907, six years before income tax enacted. Company publishes updatable loose-leaf clarifications in plain English of tax code, court decisions, etc. Chief subscriber: IRS. Oakleigh "lively, unpretentious gentleman," detached from operations. "I don't really have a management function." Lives with wife on 600-acre farm "Thorndale" in upstate N.Y. Son Oakleigh Jr. M.B.A. 1986 Columbia, aspiring chief executive. With over 7.5 million shares, worth over $530 million.

Carl Celian Icahn

Financier. Westchester County, N.Y. 51. Married. Cantor's son from Queens. Quit medical school, arrived Wall Street 1961, started Icahn & Co. 1968. "Lone Ranger" who despises "corpocracy" but admits "I'm not Robin Hood." Via obscure partnerships and private ACF Industries (manufacturer of railcars) attacked Uniroyal, Viacom, many others. Ivan Boesky reportedly helped squeeze $51 million greenmail from Phillips Petroleum. Acquired 72% TWA with Drexel Burnham backing: "It'd be bankrupt if I hadn't come along." Now has to manage; plans to take TWA private: will end up with 90% stake plus initial $300 million investment in cash. Latest gamble USX (controls 11%) so far showing huge paper gain. Net of big ACF debt, holdings worth at least $525 million. "Always listen politely, then vote your 51%."

Wilton Robert Stephens

Jackson Thomas Stephens

Brothers. Investment banking, oil and gas, etc. Little Rock, Ark. Witt: 79. Widowed, remarried; 3 children. Jack: 65. Divorced, remarried; 5 children. Witt peddled belt buckles, Bibles, then switched 1933 to buying municipal bonds low; sold high. Became kingpin Arkansas politics while Jack (Annapolis roommate of Jimmy Carter) shepherded growth of Stephens, Inc. into largest investment house off Wall Street (took public Wal-Mart, Tyson Foods; *see Walton, Tyson*). Diversified into oil and gas, real estate, high technology (49% Systematics, Inc.). Banking interests throughout South incl. troubled Worthen Bank ("Our one big blotch"), also 2 in Far East. Capital over $450 million but firm still observes duck season. Witt now largely figurehead but sells bonds daily. Jack, chairman, cutting deals Asia, Europe; son Warren, 30, now CEO, working to build Stephens, Inc. into national presence. Brothers share fortune at least $1 billion.

William Randolph Hearst Jr.

Randolph Apperson Hearst

Hope Chandler Hearst

George Randolph Hearst Jr.

Phoebe Hearst Cooke

Inheritance. Heirs of William Randolph Hearst, whose father, George Hearst (prospector-cum-land baron, U.S. senator) took failing *San Francisco Examiner* from gambling debtor 1880. Only child, Harvard-expelled "Billie Buster" took over 1887, became country's most flamboyant, controversial media tycoon: outsensationalized former employer Pulitzer *(which see)* in great NYC press wars; built nation's largest newspaper chain; model for *Citizen Kane*; d. 1951. Set

up family trusts: 20% to each son, but company to foundations run by cronies. Sale of company to trust 1974 put family back in control. Hearst Corp. ($2 billion revenues) now 15 dailies (incl. flagship *Examiner*), 13 magazines (*Cosmopolitan, Popular Mechanics, Town & Country*), trade books, 6 TV stations, 7 radio, cable, book publishing, real estate, timber, etc. Latest acquisitions: *Houston Chronicle, Esquire.* Surviving son William Jr.: NYC. 79. Twice divorced, remarried; 2 children. Editor-in-chief Hearst Newspapers from 1955; Pulitzer-winning columnist 1956. Heads principal family trust. His son WRH III, spitting image of WRH, current *Examiner* publisher. Circulation stagnant despite quality gains: "This once-great paper deserves to be revived." Expected to lead next generation. Surviving son Randolph: Hillsborough, Calif. 71. Twice divorced, remarried; 5 daughters (incl. Patty) by first wife. Hearst Corp. chairman. Hope: widow Randolph's twin, David (d. 1986). Beverly Hills. 66. 2 children. *Life* magazine cover girl 1938. Reclusive. Grandson George Jr.: Los Angeles. 60. Widowed, divorced; 4 children. Ran LA paper (now *Herald-Examiner*) 1962-77; supervises real estate. Granddaughter Phoebe (Mrs. Amory [Jack] Cooke): George's twin. Woodside, Calif. 60. Divorced, remarried; 1 daughter. With current husband led drive to regain control Hearst Corp. Both serve on board with 6 other family members. George and Phoebe share 20% from father George Sr. (d. 1972). Final 20% held by family of deceased John Hearst Sr. *(which see).* Hearst Corp., other assets estimated over $2.5 billion.

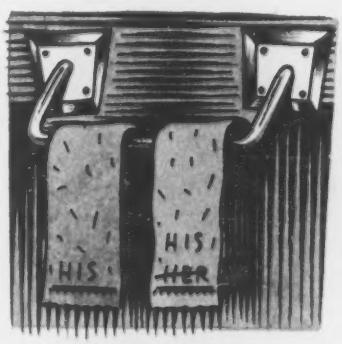
Miles Carnes Collier

Inheritance, investments. Naples, Fla. 40. Single. Grandfather Barron Gift Collier pioneered streetcar advertising, used $5 million annual income to buy land. By 1930, 1.3 million acres southwest Fla., legislators created Collier County. After family squabble over strategy, empire split by coin flip 1980; Miles controls half: 170,000-plus acres rural land, 2,800 acres Naples, oil and mineral rights, etc. Family-owned *Naples Daily News* sold 1986 to Scripps-Howard; Miles' share: $80 million. Restores old Porsches; spends a month a year skiing in Alps. Net worth estimated at least $500 million. "I know just enough about all kinds of things to be dangerous at all of them."

44 men and 30 women among The Forbes Four Hundred are unmarried.

Daniel Keith Ludwig

Shipping, real estate. NYC. 90. Divorced, remarried; 1 daughter by first marriage, 2 stepchildren. Son of Mich. real estate agent; quit school, borrowed $5,000 at 19 to convert old steamer. With charter from oil companies as collateral, built world's third-largest fleet. Widely diversified: S&Ls, real estate, mines, oil & gas, et al. Sunk over $1 billion into Brazilian timber, pulp venture as big as Connecticut; quit after long unprofitable fight with Amazon jungle, Brazilian officials. Foreign assets now owned by principal heir, Zurich cancer institute. "I came into this world with nothing. I might as well leave it the same way." Close friend: Ron Reagan. Domestic assets retained worth over $500 million.



106 members of The Forbes Four Hundred have been divorced.

Luigino Francesco Paulucci

Food processing, real estate. Duluth, Minn. and Sanford, Fla. 69. Married; 1 son, 2 daughters. "Jeno" developed low-cost bean sprouts 1944, borrowed $2,500 to make Chun King canned Chinese food. Sold to R.J. Reynolds for $63 million 1966. Pizza next, gave Jeno's to children 1967 (sold 1985). Known for clever marketing, expert cost management. Now into real estate: over 6,000 prime acres in central Fla. Also developing Heathrow (planned community). "The meek have to inherit the earth, but they sure don't know how to market it." Jeno does: Net worth believed to well exceed $500 million.

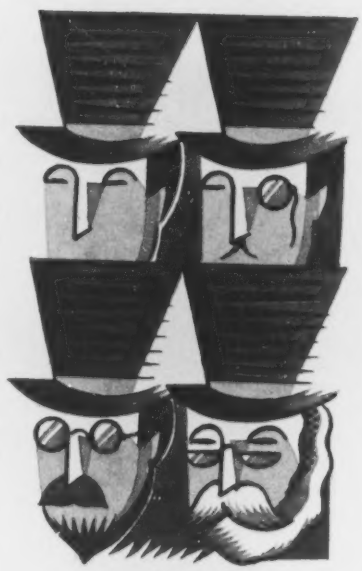
John Thomas Lupton
Elizabeth Lupton Davenport

Brother and sister. Coca-Cola bottling. Grandfather John T. got right to distribute Coca-Cola 1899. Used portion of patent medicine fortune to finance first Coke bottling plants (d. 1933). Father Thomas Carter took over; bought, sold Coke franchises at frantic pace. John: Chattanooga, Tenn. 61. Married, 4 children. Enlisted Navy, 1944; assigned to PT boat. "Jack" joined business as bottle washer; took over at father's death, 1977. JTL largest bottler in U.S. at time of sale to Coca-Cola 1986 for $1.4 billion. "The timing was right for this." John's timing, 60% JTL netted him some $500 million. Elizabeth (Mrs. Rodolph) Davenport: Lookout Mountain, Tenn. 54. Divorced; remarried, 3 children. Approximately 40% of father's trust believed hers. Her share JTL proceeds believed $300 million.

Melvin Simon

Herbert Simon

Shopping centers. Indianapolis, NYC, Beverly Hills. Mel: 60. Herb: 52. Both divorced, remarried; 5 children each. Born Brooklyn, raised Bronx, sons of garment district tailor. Mel did Army hitch in Indianapolis, peddled encyclopedias. Stayed on as leasing broker, sent for Herb to join him. Went on own 1960, built strip centers, then large regional malls. Today Melvin Simon & Assoc. owns over 48 million sq. ft., manages another 13 million sq. ft.: 2nd biggest in business. "Meshuggener Mel" known for colorful clothes, exuberant manner, is leading force; Herb is operations chief. Duo dubbed "the Marx Brothers of malls," easy to deal with: "It would be hard to find two sweeter guys on the face of the earth." Many joint ventures: Newport in N.J. with Sam LeFrak, Gimbels sites in NYC with Larry Silverstein *(see both)*. Mel did stint as Hollywood producer, some success: *Porky's, Love at First Bite, My Bodyguard.* Also co-own Indy's (basketball) Pacers. Mel's two-thirds of company worth more than $500 million; Herb's one-third worth more than $250 million.



Among The Forbes Four Hundred,
15 are in their 30s
50 are in their 40s
88 are in their 50s
118 are in their 60s
91 are in their 70s
36 are in their 80s
2 are in their 90s

Morton K. Blaustein

Ruth Blaustein Rosenberg

Louis Thalheimer

Inheritance. Baltimore. Heirs of Lithuanian immigrant Louis Blaustein (1869-1937), who invented forerunner of modern tank car, and only son, Jacob (d. 1970), developed metered gas pump, drive-in stations, antiknock gasoline. Jacob founded American Oil 1910, merged into Standard Oil of Indiana for 5.25 million shares (now over 8 million); also part-time diplomat: convinced U.N. conferees to accept human rights provision 1945. Jacob's son Morton: 60. Divorced, remarried; 2 daughters. Geologist, and chairman of family's American Trading & Production—oil and gas, real estate, tankers, mfg., investments. His stake, over half Atapco, worth $500 million. Jacob's sister Ruth: 88. Widowed, 3 children. Director; her interest worth estimated $250 million. Only son, Henry Jr. (CEO family-controlled Crown Central Petroleum), votes most shares. Louis (grandson of Jacob's deceased second sister), is 43. Married, 2 children. President, Atapco. Controls interest worth at least $250 million.

Franklin Parsons Perdue

Chickens. Salisbury, Md. 67. Divorced, remarried; 4 children. Enrolled in teacher's college hoping to play big-league baseball; dropped out to rejoin father's egg business. Switched to broilers 1940. Added feed business, processing; one of first fully integrated chicken outfits. Perdue Farms now nation's 4th-largest, $840 million sales. Dominant Northeast brand thanks to clever advertising: "It takes a tough man to make a tender chicken." Met with another tough guy, NYC mobster Paul Castellano, in attempt to block union drive 1980. Long-running environmental battle led to $200,000 fine 1985; good record since. Frank, "the Pierre Cardin of poultry," has 90% of co. worth $500 million.

Richard Alan Smith

General Cinema Corp. Chestnut Hill, Mass. 63. Married, 3 children. Father Philip founded company in 1922, opened first theater 1935. Richard joined business after Harvard 1946, took over at father's death 1961. Stake in Columbia Pictures 1970s; GC empire now includes 1,305 screens, nation's largest independent Pepsi bottler. Also 60% of Nieman Marcus Group. Chairman Richard straitlaced, press-shy: "You're conscious of the value of a dollar when you work for Dick Smith." With family, controls stock worth $500 million.

Louis Larrick Ward

Russell Stover Candies. Kansas City, Mo. 67. Married; 2 sons, 1 daughter. WWII Navy man bought KC paper box maker Alton Box Board Co. 1950; major customers: Hallmark Cards, Stover Candies. Took liking to Russell and Clara Stover's hand-dipped chocolates, paid $7 million for company 1960, went public. Now nation's largest boxed chocolates producer. Secret: top-notch ingredients, creative packaging, little advertising. Took private 1981, now worth $450 million. Two sons "doing better in the business than I am." Raises Hereford cattle on 2 Montana ranches: "I go up and play cowboy once in a while." With other assets, net worth may exceed $500 million.

Robert Lee Moody

American National Insurance. Galveston, Tex. 52. Divorced, remarried; 4 children, 4 stepchildren. Grandfather William Jr. founded American National Insurance 1903, held virtual monopoly on Texas insurance through 1930; acquired newspapers, hotel chain, ranchland. William died 1954, split assets

Malcolm Stevenson Forbes

Inheritance. Publishing. Far Hills, N.J. 68. Divorced, 5 children. Father B.C., Scottish immigrant 1904, launched FORBES magazine 1917. Sons inherited 1954: Bruce died 1964, MSF eventually sole stockholder. In 1950s N.J. state senator, unsuccessful gubernatorial candidate 1957. FORBES now top business publication: "Capitalist Tool" unusually profitable. Bought *American Heritage* for reported $10 million 1986; circulation up 50% since purchase. Acquired Somerset Press (six N.J. newspapers, all weeklies) for reported $6 million early 1987. Owns Colorado ranch, South Seas island, Tangier palace, French château; 1 dozen eggs (Fabergé Imperial; 2 more than Kremlin), presidential letters, toy soldiers, toy boats, etc., etc. Balloonist, motorcyclist; hosted "party of the century," to celebrate FORBES' 70th anniversary, gave Liz Taylor $1 million for AIDS research. Scheduled successor: son MSF Jr. Son Tim heads *American Heritage*: "Nepotism isn't a dirty word in our family." Reputed net worth:
New York Post: "Somewhere this side of $600 million."
Providence Journal: "Worth an estimated $500 million."
Associated Press: "Billionaire."
MSF: "Ahead of last year."

among foundation, family trust; legal battle ensued. Robert bought Moody Natl. Bank from foundation 1979; through it, controls family trust with 34% ANI, hotels, etc. Brother Shearn Jr. indicted 1987 for swindling foundation; called "sleaziest man in Texas." Robert worth est. $500 million.

Alexander Gus Spanos

Real estate. Stockton, Calif. 64. Married, 4 children. Left father's bakery 1956 to sell sandwiches to migrant farm workers; leased old army base to house, feed migrants. Built first apartment complex 1960. A.G. Spanos Construction went on to build 60,000 apts. across Sunbelt: "You don't find me in cold climates." Logs 6,000 miles weekly on private jet fleet; 2 sons, 2 sons-in-law all in business. Famous for dance routine with golf buddy Bob Hope, performed at benefits. Owns 62% San Diego Chargers; also 1,600 prime Stockton acres, much cash ("To him, cash is king"). Worth well over $500 million. "Satisfied? Never. The day I'm satisfied, they can bury me."

Marshall Naify

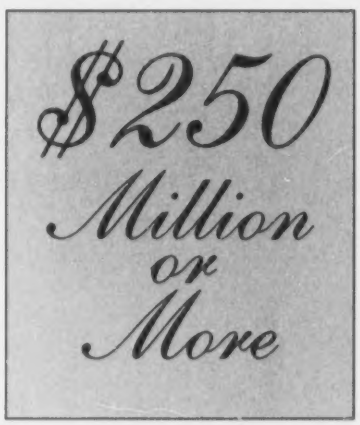
Robert Allen Naify

Brothers. San Francisco. Movie theaters, cable TV. Sons of Lebanese immigrant, founded United California Theaters chain 1920s; bought 50% United Artists Theater Circuit 1950. Brothers took control after 1963 merger. Also pioneer builders cable systems (750,000 subscribers). Reclusive, combative. Headquarters of decentralized co. in SF skid row. Marshall: 67. Married, 3 children. Works in jogging suit at home; receives radio "messages from God," according to sister's 1977 suit alleging mismanagement (subsequent SEC inquiry led to resignation as chairman 1978, reinstated 1982). Robert: 65. Married, 6 children. Soft-spoken conservative, acts as hands-on manager. Sold out to Tele-Communications Inc. 1986 for rights to 15 million TCI shares, $150 million cash. Both remain senior VPs in merged company, Robert is TCI director. Also own 50% Todd A-O, film postproduction co. Share fortune estimated at least $1 billion.

John Charles Haas

Fritz Otto Haas

Brothers. Rohm & Haas Co. German-born Otto Haas, at 37, came to Philadelphia 1909 after building successful European business (partner Otto Rohm stayed in Germany). First product: leather tanning agent, replaced dog manure. Rohm & Haas added insecticides, coatings 1920s. Developed Plexiglas 1936. Went public 1949; Rohm's heirs' stake, seized by government in WWI, WWII for possible German ties, sold in offering. International business mushroomed 1950s. Haas, age 87, died 2 days after retiring 1960. Son F. Otto took over, ran co. with brother John through 1960s; led ill-fated diversification into fibers, pharmaceuticals. Tapped non-family member as president 1970; brothers now retired. John: Villanova, Pa. 68. Married, 5 children. Runs William Penn Foundation, one of Philly's most influential. Otto: Ambler, Pa. 71. Widowed, 3 sons. Family controls 47% of stock; excluding foundation, their trusts and holdings are worth about $1 billion.



Arthur Bejer Belfer

Oil, real estate. NYC. 80. Widowed, remarried; 3 children, 2 stepchildren. Immigrated from Poland, WWII. Quit making sleeping bags for Army 1952, got into oil, gas. Took company public as Belco Petroleum Corp. 1959. Developed large resource base in Peru; also domestic natural gas, coal mining. Unsuccessful oil venture in Israel 1969. Friendly takeover, 1983, by InterNorth; changed name to Enron Corp. "If the price is right, we sell." Arthur, family patriarch, is now chairman emeritus Belco Petroleum; son Robert, 52, is an Enron director. With Enron stock, extensive NYC real estate holdings, worth $490 million.

Kenneth Harry Olsen

Digital Equipment Corp. Lincoln, Mass. 61. Married; 1 daughter, 2 sons. MIT grad, designed circuits at

its Lincoln labs. Served 13 months as graduate liaison to IBM: "It was like going to a Communist state." Founded minicomputer firm with $70,000 1957. "Technobumpkin," learned management as Sunday school superintendent: "I can tell you all the things I learned then, but I can't tell you much I've learned since." Attends prayer breakfasts with other Boston elite; known to invoke hymns at management meetings. "His role in the company is a little bit higher than the Pope's in the Church." Canoes, owns small plane. His share DEC worth $490 million.

William Russell Kelly

Kelly Services. Troy, Mich. 82. Married, one son. Born British Columbia; father international oil pioneer. "I was the only undergrad at the U. of Pittsburgh who went home to a hilltop castle in France for summer vacations." Father died leaving no estate, 1928. Accountant; Army fiscal analyst WWII. Moved to Detroit, opened Russell Kelly Office Services, 1946. Went national 1950s, took public 1962. Expanded into home health care, 1976. Stepson, Terence Adderley, president and CEO. Russell, semiretired, still chairman, holds stock worth over $490 million.

At least 10 members of The Forbes Four Hundred did not finish high school. At least 32 finished high school only. At least 304 attended college, of which 240 graduated. Postgraduate degrees: M.B.A. 47; Law 15; Other 16.

James LeVoy Sorenson

Medical Devices. Salt Lake City, 66. Married, 8 children in business. Traded medical school for Mormon missionary work. Bought pastureland $25/acre, cashed in during 1950s uranium boom. Formed Deseret Pharmaceutical, hit big with disposable catheter; sold out 1960. Started Sorenson Research, 1972, with $1,000 personal investment, sold 1980 for $100 million in Abbott Labs stock. Now runs Sorenson Development: cosmetics, LeVoy's lingerie; also firm researching medical devices, drug and environmental tests. Holds 50 patents. Still remembers early rejection: "I spend half my time with young people, sorting out new ideas." Minimum net worth $480 million.

Leonard Samuel Skaggs Jr.

American Stores Co. Salt Lake City. 64. Married, 4 children. Tennessee Baptist Samuel Skaggs (grandfather) founded first Skaggs store 1915. L.S. Sr. founded Safeway chain with 5 brothers. Later, on own, started Skaggs Cos. with acquisition Payless Drug Stores 1939. L.S. Jr. inherited 1950 at 26. With Joe Albertson *(which see)* pioneered "one-stop" concept merging grocery, drugstores 1970. Success, but partners split 1977. L.S. purchased rival Jewell Cos. 1984 in hostile takeover Analyst: "He likes to get what he wants to get." Third-largest supermarket/drugstore, with $13 billion in revenues. Chairman Leonard frugal; his shares worth $480 million.

George Phydias Mitchell

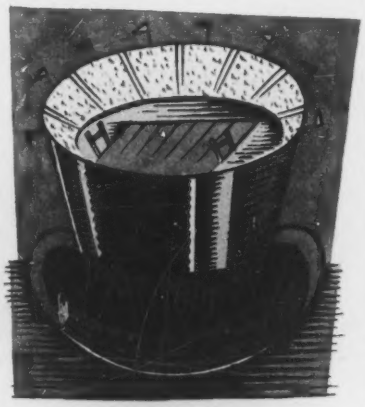
Oil, real estate. Houston. 68. Married, 10 children. Son of immigrant Greek goatherd-turned-shoe-shiner; owned cleaners. Worked way through Texas A&M selling stationery; studied petroleum engineering, geology. After Amoco stint, WWII, some wildcatting; bought into predecessor of Mitchell Energy & Development Corp. On tip from bookie discovered huge natural gas reserves, which provided 10% Chicago gas supply for 25 years. Channeled profits into the Woodlands, 25,000-acre planned community near Houston. Modest, self-effacing. "George Mitchell likes showing the world that it can be made better at a profit." Stock in Mitchell Energy alone worth over $470 million.

Armas Clifford Markkula Jr.

Apple Computer. 45. Woodside, Calif. Married, 2 children. Electrical engineer from USC, worked first at Hughes Aircraft, then Fairchild and Intel. Persuaded 1976 by two computer freaks to put up $91,000, line up venture capital to start Apple. "Mike" named chairman 1977, CEO 1981. Relinquished role to John Sculley, brought in from PepsiCo, 1983; remains vice chairman. Also chairman of small airplane charter service, ACM Aviation, Inc., San Jose. Otherwise enjoying semiretirement. "It's very important to know your limits." His 6.4% of Apple stock and proceeds from stock sales worth more than $470 million.

Gordon Earle Moore

Intel Corp. Santa Clara County, Calif. 58. Married, 2 children. Ph.D. from CalTech (chemistry, physics) 1954. Cofounded Fairchild Semiconductor Corp., 1957. Founded Intel, 1968. Introduced silicon gate metal oxide semiconductor, building block of chip technology. Pioneered memory chips and microprocessors. "We're in the business of revolutionizing society." Retired as CEO last April; still chairman of board. Author, columnist, management "guru" Andrew S. Grove now CEO. Says Grove, "He's a thinker, and I'm an activist." 1986 sales over $1.25 billion. Largest customer IBM recently sold part of its Intel stake. Moore's Intel stock worth over $465 million.



At least 23 members of The Forbes Four Hundred own 30% or more of at least one professional football, baseball or basketball team.

Robert Edward (Ted) Turner III

Turner Broadcasting System. Roswell, Ga. 48. Divorced once, currently separated. Booted from Brown U.: girl caught in his frat room. Joined Coast Guard. Rescued late father's bankrupt billboard firm with aggressive space selling. Began first cable superstation, WTBS Atlanta, 1976. Brainstormed CNN 1980. Pursued CBS 1985, failed; bought "vastly overpriced" MGM from Kirk Kerkorian instead. "Captain Outrageous" had 80% control diluted in reorganization of company; granted veto to cable operators fearful of enormous debt, hurt by hexed Goodwill Games. "I'm not having as much fun as I used to." His TBS stock, other assets, worth at least $465 million.

William S. Paley

CBS. NYC and Southampton, N.Y. 86. Divorced, widowed; 4 children, 2 stepchildren. Son of wealthy Philadelphia cigar king; joined stogie business after college 1922. Bought into United Independent Broadcasters 1928 for $500,000; programming genius with eye for talent: hooked Bing Crosby, Jack Benny, Kate Smith. CBS now 211 affiliates, radio networks, records, etc. Retired 1983; forged comeback with pal Larry Tisch *(which see)* 1986; "We've taken a good hold of things." Founded New York's Museum of Broadcasting 1976. His 8% CBS stock, art, other holdings worth $450 million.

Peter Stephen Kalikow

Real estate. NYC. 44. Married, 2 children. Family longtime builder Brooklyn, Queens rowhouses; father Harold (d. 1983) split from brothers 1967. Peter used co-op proceeds from outer-borough apts., built luxury rentals Manhattan; now about 6,000 NYC units. Went out on limb to build 101 Park Ave. 1980; office demand swelled as if on cue. Renovated old AT&T headquarters near Wall St. Bought 1,200-unit East Side tenement block 1985; threatened mass eviction. Many protests, publicity; now plans only partial demolition, buyouts, relocation benefits. Car buff: designed Italian sports cars 1970s, lost $500,000. Net worth estimated around $450 million.

Laszlo Nandor Tauber

Real estate. Potomac, Md. 72. Divorced, remarried; 2 children. Champion teenage Hungarian gymnast; surgeon 1942. Nazi concentration camp, then forced labor camp; 2nd escape successful 1944. To U.S. 1947; built apt. bldgs. in spare time 1950s. Built own hospital 1965, huge Parklawn bldg. for govt. offices 1969; now Uncle Sam's biggest landlord. Switched to buying 1970s, owns choice NYC structures (AMA Bldg., Galleria). Now owns over 7 million sq. ft. Lately doing foreign currency swaps. Many charities, esp. Holocaust studies; searches for those who helped him in past. Still chief of surgery, dreads retirement. Worth well over $450 million.

Fitz Eugene Dixon Jr.

Inheritance. Lafayette Hill, Pa.; Palm Beach, Fla. 64. Married; son, daughter. Primary heir 2 great fortunes: Streetcar magnate P.A.B. Widener (d. 1915: reported worth $100 million); William Elkins (d. 1903; reputedly left $30 million). Freshman dropout Harvard, taught for 16 years—"happiest days of my life"—at his Main Line prep school, Episcopal Academy. Now philanthropist, manages fortune: mostly blue-chip stocks, high-grade bonds. Owns most of Grindstone Neck, Me., faded resort where he was born. Once owned basketball 76ers, now over 10% baseball Phillies. Bought house for $75,000, found original Audubon prints worth $200,000 plus. Estimated worth: over $450 million.

Sheldon Henry Solow

Real estate. NYC. Early 50s. Married, 1 child. Started as small-time builder, risked all on tough 57th Street assemblage: "We're in barracuda land. You can only get away with this once." Built 1.4-million-sq.-ft. 9 W. 57th St.: "the bell-bottom building," with sloping glass sides and big red "9" sculpture. Gets premium rents for its great park views; valued at $600 million. Also some Manhattan residential properties, including 19th-century-style row of town houses. Known as fierce negotiator: "He's an impossible man." Respected collection modern art. Press-shy. Less debt, worth over $450 million.

Robert Rich Sr.

Rich Products Corp. Point Abino, Ontario and Palm Beach. 74. Married, 3 children. Milk administrator WWII ("The cow is a very inefficient factory"); pioneered frozen nondairy products industry by accident: His wartime soybean-based whipping cream still whipped after thawing. Introduced Coffee Rich creamer 1960; diversified via acquisition, mostly small frozen-food companies (1986 sales, $650 million). Son Robert Jr., 46, now president: "Nepotism works." Family bought naming rights to Buffalo NFL stadium for $1.5 million 1972, owns stake Buffalo Sabres hockey team. Also AAA Buffalo (baseball) Bisons. "We're jocks." Recently bought Buffalo radio station. Net worth over $450 million.

John Orin Edson

Leisure craft. Seattle. 54. Married, 2 children. Founded Bayliner (powerboats) 1955. Company has been fastest craft on water: Sales and profits doubled in each of last three years. Sold to Brunswick late 1986. Noncommunicative: Edson says he has no other interests, investments or associations. Maintains 105-foot yacht; pilots the several planes he owns. Remarkable ability to carry out classic precept: simplification of production. Also, simple credo: Success is assured with giving best value to consumer. Net worth exceeds $450 million.

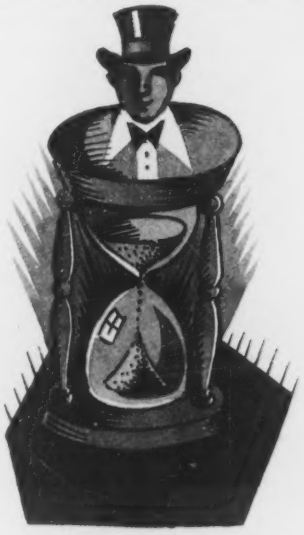
William Coburn Cox Jr.

Jane Cox MacElree

Brother and sister. Inheritance. Great-grandfather Clarence Barron (d. 1928) bought *Wall Street Journal*, Dow Jones Ticker, 1902; founded *Barron's* 1921. Children of Barron's granddaughter Jesse Cox (d. 1982). Bill: 56. London, Nantucket. Married, 4 children. Currently on Dow Jones board, director European operations. Jane: 58, Newtown Square, Pa. Divorced, remarried; 7 children. Active in Philadelphia charities. Thanks to *Wall Street Journal*'s great success, the two share trusts in Dow Jones stock worth $900 million.

Barbara Piasecka Johnson

Princeton, N.J. 50. Widowed, no children. Third wife John Seward Johnson (d. 1983). Claims art history M.A., Wroclaw Univ.; fled Poland, arrived U.S. 1968 with $100. Upstairs chambermaid on Johnson's estate; married him 3 years later. Built $30 million, 160-acre "Jasna Polana" in Princeton late 1970s complete with air-conditioned doghouse. Vast old masters collection: Vermeer, Fra Angelico, Raphael, Botticelli; Greek, Roman sculpture. "Money is to spend; it does not have any value otherwise." Soap-opera court battle with Johnson's children; "Basia" got assets now exceeding $450 million; already wealthy children *(see family)* netted $42 million.



The average age of The Forbes Four Hundred is 62.9

Arthur Ochs Sulzberger

Iphigene Ochs Sulzberger

The New York Times Co. NYC. Tennessee newsman Adolph S. Ochs (1858-1935) purchased *New York Times* 1896 for $75,000; alternative to era's "yellow journalism" became one of world's most respected newspapers. Some decline from escalating labor costs, reader flight to suburbs 1950s-60s. Grandson Arthur Ochs (Punch) Sulzberger became publisher 1963, chairman 1973; revamped "Gray Lady's" design 1970s, recaptured elite readers; also diversified (radio and TV stations, 35 newspapers, 10 magazines, cable system, etc). Punch: 61. Divorced, remarried; 2 children by each marriage. Recently elected chairman of NYC's Metropolitan Museum of Art; not an art collector: "Why should I be when the Met's incredible collections are so close at hand?" Mother Iphigene: 95, widowed. Witty, irreverent, expelled at 12 from girls school for "impertinence." Director 1917; director emeritus 1973: "My chief claim to fame is survival." Mother and son preside over Ochs Trust controlling 22% New York Times Co. With stock sales, combined fortune totals at least $880 million. Punch grooming son Arthur O. (Pinch) Sulzberger Jr., 36, as successor. "They prize order, planning and family."

Paul Fireman

Reebok International Ltd. Newton, Mass. 43. Married, 3 children. Stalked Chicago sporting goods show "looking for opportunities." Found it in British shoe company Reebok International. Established Reebok U.S.A. with licensing agreement 1979; bought out parent company 1985. Fireman's idea: athletic shoes for aerobics. Sponsored aerobics clinics to promote shoes: "We helped create our own market." Flashy colors, design became fad. Announced Weebok line of kids' shoes 1986; now expanding into sportswear, walking shoes. Annual bonus equals 5% of company earnings over $20 million; his 1986 cut: $12.7 million. With wife, 19% Reebok worth $435 million.

Estée Lauder

Leonard Alan Lauder

Ronald Steven Lauder

Mother, 2 sons. Cosmetics. NYC and the Hamptons. Estée: "69." Widowed, 2 sons. Born NYC's Queens as Josephine Esther Mentzer to Hungarian immigrant parents. Peddled skin creams for uncle, attached her name to several brands. Summer resort romance led to marriage to Joseph Lauder (d. 1983), went on own with 4 brands. By 1960 sales over $1 million (mostly Youth Dew fragrance). "Sees" fragrances; uncanny sixth sense for consumer trends. Today, one of world's largest cosmetic companies. Clinique, Cinnabar, White Linen, etc., etc. sold mostly through upscale stores, boutiques. Not involved in day-to-day operations, but still reigning queen of cosmetics. Leonard: 54. Married, 2 sons. Current CEO; instrumental in firm's expansion overseas. Ronald: 43. Married, 2 daughters. Ran foreign operations. Political aspirations spurred 1983 exit to become deputy asst. defense secretary (NATO); U.S. ambassador to Aus-

tria (1986-1987); still company director. Share company worth well over $1.3 billion.

Marshall Field V

Frederick (Ted) Woodruff Field

Half-brothers. Inheritance, media. Original Marshall Field started as Chicago salesman 1850s; built up Marshall Field & Co. into world's largest department store. Marshall III redirected empire: sold store 1941, started daily *Chicago Sun*, added *Times*, TV, cable. Field Enterprises inherited by Marshall IV (d. 1965, at 49). Harvard-fresh Marshall V joined *Sun-Times*, became publisher age 28. Shared company (5 TV stations, *Sun-Times*, cable, etc.) with near-opposite half-brother Frederick (Ted), who spurred celebrated liquidation 1983. Marshall: Lake Forest, Ill. 46. Divorced, remarried; 3 daughters, 1 son. Bought Ted's share of real estate arm Cabot, Cabot & Forbes; now main business vehicle. Back in media with purchase Pioneer Press from Time Inc., educational publications from Xerox. Bought Muzak (elevator music) 1986. Ted: Beverly Hills. 35. Divorced twice, remarried; 2 children. After a brief fling racing cars, moved to LA to produce movies as Interscope Communications. Made *Revenge of the Nerds, Outrageous Fortune*. Bought Panavision from Warner Brothers for $20 million cash 1985, realized $80 million profit in 1987 sale. Occasionally invests with Sir James Goldsmith, also trades commodities. Extremely charitable but low-key. Insider: "Ted's one of the warmest people you'll never meet." Marshall worth at least $425 million; Ted at least $400 million.

Ernest Gallo

Julio Gallo

Brothers. Wine. Modesto, Calif. 78, 77. Each married with 2 children. Italian immigrant father, Joseph, bought 230-acre Modesto vineyard; Depression all but wiped him out. Ernest and Julio, with $5,900, figured they had the grapes, they'd make the wine; went to local public library to find out how. A billion dollars later (estimated 1986 Gallo revenues), smiling Julio continues to squeeze the grape, unsmiling Er-

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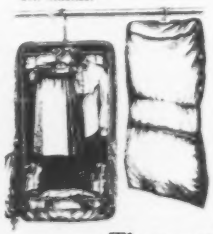

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nest to pinch the penny. Chairman Ernest is considered "intuitive marketing genius." The two maintain vise-like grip on costs and every facet of business. Recruits on sales force given 300-page training manual. First major success: Thunderbird (connoisseurs feel even winos might reject, but they don't). Constant effort since to upgrade product, image has led to high praise for winery's "high standards." Latest coup: Tardy entry (Bartles & Jaymes) in cooler market took top spot in just six months; competition's profit margins shattered. Gallo's total ad budget 1986 ran to $40 million. Brothers lobbied for estate tax amendment (now in effect, known as the "Gallo Amendment") that may mean millions for grandchildren. Bit of vinegar in this bottle: Brother Joseph, sued by Ernest and Julio for putting family name on his cheese business, is suing in turn for third of winery, alleges it should have been part of his inheritance. Company alone is worth $850 million; Ernest and Julio also believed to hold large personal portfolios.

Stanley Stub Hubbard

Broadcasting. St. Mary's Point, Minn. 54. Married, 5 children. Son of Stanley Eugene, 90, who founded nation's first (unsuccessful) commercial airline; built one of first radio stations, WAMD ("Where All Minneapolis Dances"), 1923; added TV, 1948. Stanley Stub took charge after father's 1981 stroke. Hubbard Broadcasting now 6 TV stations, 2 radio, production co. True believer in satellite TV: leases or owns 3 transponders; controls Conus Communications, satellite news gathering service with 67 member stations; developing satellite-borne program syndicator USTV. "The days of three people in New York planning the program fare for America are gone." Fortune, held in trusts, exceeds $425 million.

Russell Berrie

Russ Berrie & Co. Englewood, N.J. 54. Divorced, remarried; 5 children. Began as gift sales rep 1956; started Russ Berrie & Co. in garage 1963, sold "fuzzy wuzzies": "They were disgustingly irresistible." Now markets over 6,000 message-bearing, impulse-buy items (stuffed animals, wall plaques, greeting cards et al.) through gift stores, airports, retail shops, etc.; most items under $12. After disastrous attempt at manufacturing, most items now made in Far East: "Our abilities lie in marketing and sales, not in manufacturing." Periodically cashes in some stock; bid for New Jersey (basketball) Nets rejected 1986. His 54% stock, other assets worth $420 million.

John Jeffry Louis Jr.

Inheritance. Winnetka, Ill. 62. Married, 3 children. Mother, Henrietta, a Johnson of Johnson Wax *(see also Samuel Curtis Johnson)*. Attended Deerfield Academy; left Northwestern for Army Air Force, got wings 1945. Worked in father's ad agency before international marketing for Johnson Wax. Founded Combined Communications 1968; chairman up to 1981 merger with Gannett. Major contributor to Republican Party; appointed ambassador to Britain by Reagan 1981. Not professional diplomat; resigned 1983. Director S.C. Johnson, Gannett, Air Wisconsin, Baxter-Travenol. Philanthropist, golfer, amateur flier. With family's 30% S.C. Johnson & Son, other holdings, exceeds $410 million.

Joseph S. Gruss

Oil, investments. NYC. 84. Widowed; 1 son, 1 daughter (married to Kenneth Lipper, former NYC deputy mayor). Learned banking from father in eastern Poland. Ownership of travel agency was ticket to U.S. 1939. Spoke no English; formed investment house Gruss & Co. Sunk arbitrage, brokerage profits into oil and gas from 1952. Silent partner of John Cox *(which see, others)*. Another Cox partner: "We liked to bring him in because he was so lucky. But he could skin the pants off you on a trade." Used to beat on office wall to summon accountant. Frugal. Deeply religious, over $100 million donated to Jewish causes. Son Martin now runs business. Joe denies but, with family, worth well over $400 million.

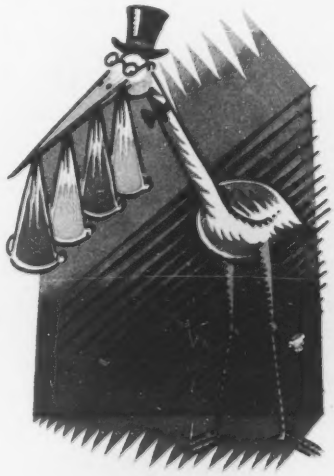
Cordelia Scaife May

Inheritance. Ligonier, Pa. 59. Divorced, widowed; no children. Great-granddaughter of Judge Thomas Mellon. Brief marriage to Herbert A. May Jr. 1950. Wed longtime friend Robert Duggan, Pittsburgh D.A., 1973; he died of gunshot wound 1974 amid corruption investigation. Brother Richard Mellon Scaife *(which see)* has not spoken to her since. Lives modestly, supports population control, other liberal causes. Maintains family tradition (Mellon fortune founded by 19th-century venture capital investments) in small way funding emerging companies through Roldiva Inc. Net worth (much in trusts) over $400 million. *(See also other Mellons, Currier family.)*

Neil Gary Bluhm

Judd David Malkin

Partners. Real estate. Chicago. Boyhood chums from blue-collar section of Chicago. Delivered root beer, roomed at U. of Illinois.



Among The Forbes Four Hundred, August Busch and George Mitchell have the largest number of living children (10).

After months of pleading, CPA Malkin persuaded lawyer Bluhm to be third partner in new venture: JMB Realty Corp., formed 1968, bought out partner 1973. Via limited partnerships, acquisitions, turned small syndicator into leading manager real estate assets ($16 billion) including Boston's Copley Place, LA's Century City. Both live Winnetka, Ill., 49, married, 3 children each. Low-key team players. Malkin, chairman, financial planner: "The overriding theme is long-term relationships." Biggest move into development with $2 billion purchase of Cadillac Fairview 1987; other diversification bids have failed (Chicago *Sun-Times*, Viacom Int'l). Bluhm, president: "A lot of developers are high profile. They can have the glory; we'll take the cash flow." Each has one-third stake in JMB Realty (rest split among employees) estimated to be worth over $400 million.

Jeremy, Maurice Jacobs

Sports concessions. East Aurora, N.Y. 48. Married, 6 children. Father Louis founded forerunner to Emprise Inc. with brothers 1915, hawked popcorn in theaters. Made loans to bail out struggling baseball teams 1920s, 1930s; won long-term ballpark concession contracts, including Detroit, Milwaukee, St. Louis, Chicago, etc. Emprise convicted in 1966 scheme concealing mob ownership of Vegas casino. Lou, "Godfather of Sports," bought out brothers, died 1968. Jeremy expanded into parking lots, airport concessions, metal refining, horse and dog tracks, Boston (hockey) Bruins, venerable Boston Garden; bought out brothers 1980s. Renamed Delaware North Cos., sales now about $1 billion. Net worth exceeds $400 million.

Andrew Jerrold Perenchio

Television. Bel Air, Calif. 56. Twice divorced, 3 children. Son of Fresno vintner; ran catering business to pay for UCLA. Then, talent agent; clients: Liz Taylor, Marlon Brando. Promoted Ali-Frazier fight, Billie Jean King-Bobby Riggs match. Teamed with Norman Lear *(see Dropouts)* 1974; sold all program interests to Coca-Cola for $485 million 1985. Failed bids for Detroit papers, Spanish TV stations. Bought Loews theaters for $160 million 1985, sold for reported $300 million 1986. Paid $13.6 million for Kirkeby estate, home of *Beverly Hillbillies*. "Jerry Perenchio is what everybody thinks show business is all about." Private: "I really don't want my name in the goddamn paper." Worth more than $400 million.

Claude B. Pennington

Oil, gas. Baton Rouge, La. 86. Married; 1 son (killed in 1958 oil rig accident), 3 grandchildren. Joined father's eye-and-ear clinic as optometrist in 1925 but saw dollar signs in oil. "Doc" traded leases and acquired large pieces of Tuscaloosa Trend. Never gave up on dry holes. First big strike 1952, attracted major oil companies. Moved by suffering of Third World children, created LSU nutrition center 1983 with $125 million donation, largest in philanthropic history. Still rumored to have $70 million in local bank accounts. Net worth, mostly oil reserves, at least $400 million. "I had more fun when I didn't have any money."

The average number of children among members of The Forbes Four Hundred is 3.1.

William Edward Simon

Leveraged buyouts. New Vernon, N.J. 59. Married, 7 children. Insurance agent's son, first Wall St. job $75/week, later up to $3 million/year trading bonds at Salomon Brothers. Ford's "Energy Czar," Treasury boss. 5½-inch *Who's Who* entry. Friends, incl. George Shultz, lost shirts on late-1970s Simon-led oil deal while Bill reportedly took cuts. Formed LBO vehicle Wesray with Raymond Chambers *(see Dropouts)* 1981. Big gains: Gibson Greetings (est. $78 million), Avis (over $80 million likely). Pair split after personality clash. Now building Pacific rim empire with ailing S&Ls. Worth over $400 million. Defensive: "It's as if making money had become pejorative."

Lawrence Fisher

Zachary Fisher

Brothers. Real estate. NYC. Larry: 78. Zachary: 77. Both married, 1 child each. Third generation of family in New York real estate (many sons, nephews now in the business). Built Queens apts. 1930s; moved up to Manhattan offices 1960s. Built over 7 million sq. ft. midtown towers, including Burlington House, Stevens Tower, Park Avenue Plaza. Respected architecturally. Lately active in stock market: considered a run at CBS 1985, sold stock for $30 million profit. Larry, NY Yankees fanatic, called "a very, very tough hombre. He gives nothing away." Patriotic Zach gave $4 million to convert aircraft carrier *Intrepid* into floating museum; bled white by criminals, *Intrepid* bankrupt 1985. Family worth over $800 million. Larry: "I'm not the kind of guy who likes to see his name in the newspapers."

Thomas Henry Dittmer

Commodities. Lake Forest, Ill. 45. Married, 2 children. Raised Sioux City, Iowa; started as runner at Chicago Mercantile Exchange mid-1960s. Mistaken purchase of 100 egg contracts saved by surprise rally, made $165,000, bought Merc seat. Started agricultural commod-

ities trading firm 1969. Paid $525,000 CFTC fine for exceeding trading limits 1982. Built "risk management" powerhouse Refco Group (assets $1.3 billion): probably world's largest commodity futures clearinghouse, also stock index options, currencies, metals. Driven: "The Rambo of the futures industry." Two former execs awarded $30 million in suit against Refco for stealing their business; on appeal. His 90% of Refco, plus stake in biggest U.S. cattleyard, worth over $400 million.

Howard Kaskel

Real estate. NYC. 50. Married, 6 children. Father Alfred (d. 1968) built up Doral Hotel chain, Howard has expanded. About 1,000 rooms in 3 NYC hotels, plus 900,000 sq. ft. Park Avenue office building. Doral Hotel & Country Club, 650 rooms on 2,400 acres Miami, is city's top hotel, occupancy near 90%. Also 420-room Doral Hotel-On-The-Ocean, Miami Beach. His Carol Management Co. has thousands of apts. in NYC's Queens, Chicago, Conn. Launched 224-unit condo, The Alfred (named for father), near NYC's Lincoln Center; paid $60 million for Westchester County, N.Y. conference center. Bought 6%, may bid for all of Kansas City Southern. Net worth exceeds $400 million; too high, says he.

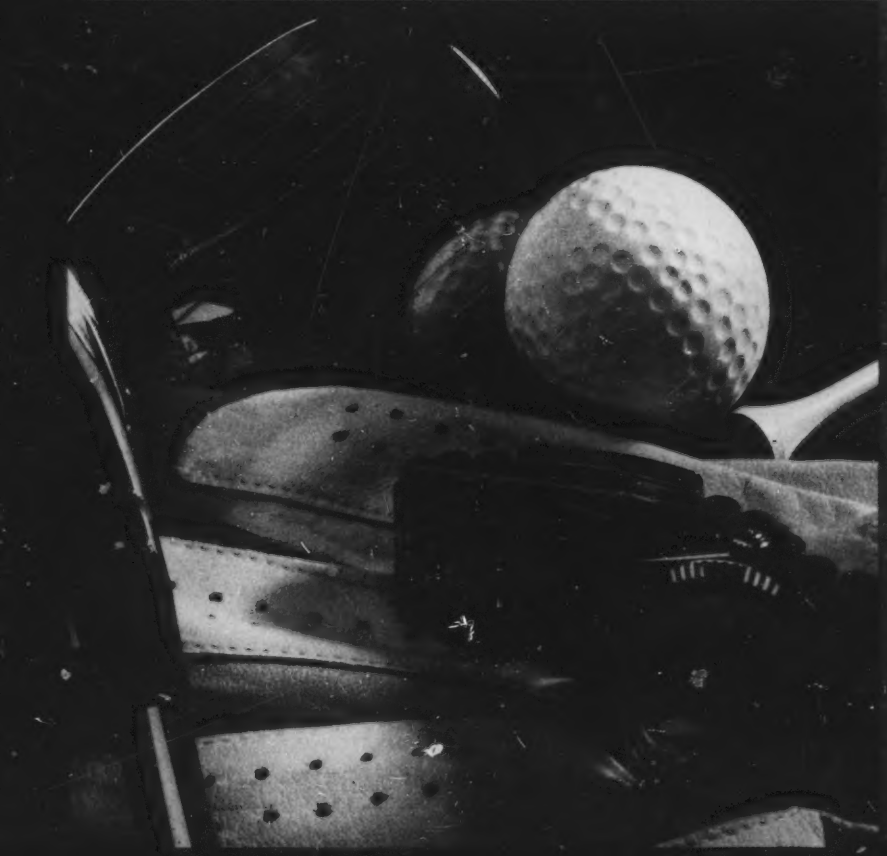
Marshall Edison (Doc) Rinker

Cement. Palm Beach. 82. Widowed, 3 sons. Nicknamed Doc for sickly childhood. Founded Rinker Supply Co. 1926 with dump truck, sold "sand-rock-muck"; today Rinker Materials largest Fla. cement company. Son David succeeded father as president 1982, lasted 1 year. Dad: "The worst thing you can do is put a Boy Scout in a soldier's uniform." Doc still firmly in control: "I'm going to keep going until I die. Then God will handle it." Co. almost sold 1984 to Florida Power & Light for $350 million. Joins employees in co. work policy: in by 7:00 a.m., work until noon on Saturdays. Net worth $400 million.

Donald John Tyson

Barbara Tyson

Brother, sister-in-law. Tyson Feed & Hatchery, founded 1947. Name changed to Tyson Foods, Inc., went public 1963. Acquisitions, quick response to markets propelled co. to forefront of poultry industry: 1986 sales, $1.5 billion. Precooking and processing add value to broilers. Supplies most but not all major fast-food chains, won't specify which: "It's like dating all the high school cheerleaders at once. I believe in coexistence." All execs must wear khaki farm clothes: "If we all wore suits, we'd sit here in the office." Family plagued with tragedy: Don took over when parents died in auto crash 1966; brother Randy choked to death 1986. Don: Springdale, Ark. 57. Married, 3 children. Willie Nelson sings at parties. Sister-in-law Barbara: Fayetteville, Ark. 38. Widowed, no children. Beneficiary of husband Randal's estate. Don worth over $400 million, Barbara over $325 million.



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Frank Batten

Publishing, broadcasting, cable TV. Virginia Beach, Va. 60. Married; 2 daughters, 1 son in business. Nephew of Samuel L. Slover, who came to Virginia 1900, was offered half-interest in Newport News daily if halted red ink within year. Succeeded; built Landmark Communications. Raised nephew Frank, named publisher 1954 at 27 after Harvard Business School. Reshaped, aggressively expanded company; first cable franchise 1963. Now over 500,000 cable subscribers, 10 dailies (flagship Norfolk *Virginian-Pilot, Ledger-Star*), 29 nondailies, 2 TV and 2 radio stations, the Weather Channel, etc. Larynx removed because of cancer. Frank's 38% stake in Landmark worth over $400 million.

Robert Staples Howard

Publishing. Rancho Santa Fe, Calif. 62. Married; 3 sons, 1 daughter. Univ. of Minnesota dropout. After WWII service inherited hometown (Wheaton, Minn.) newspaper; swept floors, set type. Picked up others scattered across country including *Casper* (Wyo.) *Star-Tribune*. Howard Publications now 19 smallish dailies ($185 million revenues; over 450,000 circulation), Buffalo, N.Y. TV station since 1977. Late entry cable TV in partnership with Donald Reynolds *(which see)*, over 150,000 Los Angeles-area subscribers. Also small oil and gas exploration company. On success: "It was cumulative. Work is my hobby." Fortune believed to exceed $400 million.

Seymour Cohn

Real estate. NYC and Upper Brookville, N.Y. 76. Widowed, 2 children. Great-grandparents came from Germany 1860s. Dabbled in real estate; became familial calling. Seymour joined uncle's firm 1931, rented space in fish district. Persuaded kid brother Sylvan Lawrence to join him in own firm 1946. Scrambled, saved commissions, parlayed into lower Manhattan's largest, if unglamorous, real estate empire: about 12 million sq. ft. at peak. Sylvan directed firm until death 1981; many holdings since sold for $600 million. Seymour still active, also breeds horses: "Girls love horses. I love horses, and I love girls." His half of fortune worth at least $400 million *(see Laurence family)*.

Burton Paul Resnick

Real estate. Rye, N.Y. 50. Married, 3 children. Father Jack started small Bronx construction firm 1928, moved to Manhattan early 1950s. Burton joined firm straight from Univ. of Chicago 1956. Developed mostly residential projects, still holds over 1,600 NYC apts; also some office bldgs. Built, sold Florida condos since 1968. Bought many older offices after mid-1970s real estate crash; Jack Resnick & Sons now controls some 5 million sq. ft. NYC. Active builders, 2 current projects. Jack, now 80, largely retired; Burt runs co. Both philanthropic. Partners in early projects include Belfer family *(which see)*. Resnicks deny it, but their interests worth over $400 million.

Shelby Cullom Davis

Investment banking. Tarrytown, N.Y. 78. Married; 2 children. Graduated from Princeton 1930, Columbia grad school 1931, Ph.D. poli. sci. Univ. of Geneva 1934. Served as CBS correspondent in Switzerland before WWII; U.S. ambassador to Switzerland 1969-75. Learned insurance business as N.Y. superintendent of insurance 1945. "I got to know who were the bluffers and who were the people who were really professionals." Started investment bank, Shelby Cullom Davis & Co., 1947, with $100,000; specialized in insurance stocks. Currently chairman of Heritage Foundation, active in conservative causes. Avid skier with wife of 55 years. Net worth over $400 million.

James Lawrence Walton

Wal-Mart Stores. Bentonville, Ark. 65. Divorced, 2 daughters. Ran small five-and-ten in Missouri. Pooled fortunes with older brother Sam *(which see)*; Sam's merchandising concept of large discount stores in rural towns took off. Expanded chain to 16 stores in next 10 years; first "Wal-Mart Discount City" opened in Rogers, Ark. 1962. James (Bud) oversaw real estate. Occupies two Wal-Mart posts: senior vice president, director. Centimillionaire good old boy: quiet, low-profile; spends much time at exotic fishing holes (Argentina, Alaska, etc.). His 10 million shares Wal-Mart worth $400 million.

The youngest member of The Forbes Four Hundred is Lee Bass, 31.

Stephen Davison Bechtel Jr.

Stephen Davison Bechtel Jr.

Engineering, construction. Warren Bechtel built railroads 1898 in Oklahoma Territory; moved to Oakland 1904. Son Stephen Sr. turned company into global giant through megaprojects (Hoover Dam; Alaskan pipeline; DC, SF subways). "Steve Junior" took over 1960, expanded into nuclear construction. 1970s oil boom brought huge Saudi Arabian ventures, including $40 billion industrial city, Jubail: "The Saudi family likes dealing one dynasty to another." 1986 revenues: $6.5 billion; continue drop from 1983 high of $14 billion. Stephen Sr.: Oakland. 87. Mar-

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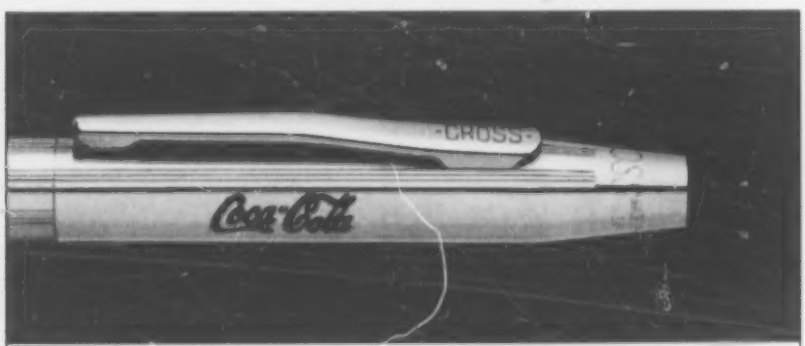

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ried, 2 children. Still director, no plans to retire: "I don't see any reason why I should." Stephen Jr: San Francisco. 62. Married, 5 children. Sr. and Jr. control just under 50% Bechtel stock; with investment co. Sequoia Ventures, combined worth estimated at $800 million.

Arnold Bernhard

Value Line, Inc. Westport, Conn. 85. Married, 2 children. After college worked briefly as *Time* theater critic; wrote play *Bull Market* 1928. "Fortunately, it was never produced." Fired as Moody's analyst during Depression. "You have no idea what it meant to be out of a job in 1931." Convinced stock prices ultimately rational: Founded forerunner Value Line 1931; now nation's largest investment advisory service. Analyst: "Value Line is the L.L. Bean of investing." Owns Hummingbird Cay, Bahamas island devoted to ecological study. Successor-to-be: daughter and vice chairman Jean, 52. With over 80% Value Line, shares in own mutual funds worth over $390 million.

Harold Brown

Real estate. Boston. 62. Divorced; 3 children, 1 in business. Father was poor Russian immigrant who sold secondhand furniture. MIT-trained metallurgist; owned a few doughnut shops. Began dabbling in real estate 1955. His Hamilton Realty Co. is now the Boston area's biggest landlord: 7,600 apartments (1 of every 15 in town, at peak), 8.8 million sq. ft. offices, including suburbs. Started with rehabs, now much construction. Hard-nosed landlord, many tenant scrapes: "I'm a pussycat." Consent decree with Justice Dept. over racial discrimination 1982. Pleaded guilty 1986 to paying $1,000 bribe for building permit. Worth over $385 million. "If you stand still, you really are going backward."

Henry John Heinz III

H.J. Heinz Co. 48. Fox Chapel, Pa.; Washington, D.C. Married, 3 children. Grandfather H.J. Heinz bottled, sold horseradish Sharpsburg, Pa. Heinz & Noble, founded 1869 with partner, went under. Reemerged 1888 H.J. Heinz Co., became ketchup czar, international

food giant: also Weight Watchers, Star-Kist, Ore-Ida brands. H.J. II (d. 1987), benefactor, gave over $300 million to various charities. Celebrated 110th anniversary of Heinz ketchup last year opening Heinz museum. H.J. III two-term Republican senator from Pennsylvania; legislated mandatory retirement age repeal, private pension reform; also best overall congressional athlete. Minimum net worth $380 million.

Mark Goodson

Game shows, newspapers. NYC. 72. Thrice divorced, 3 children. Russian immigrant father opened first health food store in Berkeley, Calif. To NYC 1941 as radio announcer; produced, directed radio soap operas. With partner Bill Todman (d. 1979) did radio game shows 1940s, then *What's My Line* for TV

The oldest member of The Forbes Four Hundred is Iphigene Ochs Sulzberger, 85.

1950: "I gave it 10 weeks." It ran 25 years. Later, *I've Got a Secret, To Tell the Truth, The Price Is Right, Password, Match Game, Concentration, Family Feud,* etc. Profits plowed into newspapers: now has 50, incl. *New Haven Register* (acq. 1986 for $170 million), Morristown (N.J.) *Daily Record* (acq. 1987 for $155 million). Net worth: estimated at least $375 million. "I hate to fail even more than I like to succeed."

Jack Tramiel

Atari Corp. Zephyr Cove, Nev. and Saratoga, Calif. 59. Married, 3 sons, all in business. Polish-born (né Kaufmann Idek Tramielski), Auschwitz survivor, immigrated 1947. Cook, cabbie; founded home computer maker Commodore in Bronx typewriter repair shop 1958. Implicated in Canadian bankruptcy scandal (Atlantic Acceptance Corp. 1965) but Commodore became highflier. Ousted in power struggle 1984 with estimated $70 million in stock. Gobbled up bleeding Pac-Man maker Atari from Warner, fired 900, built budget clone of Apple's Macintosh; went public 1986; still big in home video games (1986 sales, $258 million). His 51%, other holdings worth $375 million. Former exec: "He's left a lot of destruction in his wake."

Larry Abraham Silverstein

Real estate. NYC. 56. Married, 3 children. Leased Lower East Side lofts with father. Sold syndicates with now ex-brother-in-law Bernie Mendik *(which see)*, 1957-77; still partners in some. On own, bought NYC offices; built N.J. offices, malls in Ky. with partners: controls over 10 million sq. ft. Built 2-million-sq.-ft. 7 World Trade Center; now finished, at risk: only 13% currently rented. Broker: "He's cool as a cucumber." Also active: Gimbels site on Herald Square with Mel Simon *(which see)*, Times Square hotel, far West Side assemblage, etc. Even burdened by 7 WTC, worth more than $375 million. "You take care of your real estate, and your real estate will take care of you."

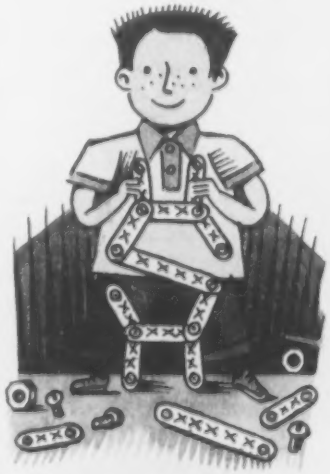
August Christopher Meyer

Broadcasting. Champaign, Ill. 86. Married, 1 son in business. Well-known lawyer in hometown Champaign, entered TV business by default: rescued station he had helped launch 1953, eventually acquired. Bought San Diego TV station 1964: $11 million investment up over 20-fold. Midwest Television now owns 3 TV and 4 radio stations; virtually debt-free. Chairman of family-controlled Bank of Illinois (assets $200 million) since 1962. Son August Jr. (Chris) running stations since 1976. With San Diego real estate, bonds, net worth at least $375 million. "Finish each transaction as if you expected to do business with them tomorrow."

Cyril Wagner Jr.

Jack E. Brown

Partners. Oil, investments. Midland, Tex. Wagner: 53. Divorced, remarried; 5 children. Brown: 62. Married, 3 children. Set up Wagner & Brown Oil Properties 1962, built up vast oil production. Partnership sealed with a handshake: "We just complement each other." Diversi-



The youngest member of The Forbes Four Hundred whose fortune is self-made is William Henry Gates III, 31.

fied with Canyon Pipeline Co.: plastics, shrimp farming, etc. Joined pal T. Boone Pickens on failed Gulf takeover bid, took home $70 million profit; also backed Pickens' runs at Phillips Petroleum, Unocal. With partner, had bids for Lear Siegler rejected 1986, GenCorp 1987. Brown a studious

planner, Wagner the dealmaker. Built futuristic office tower in Midland: "You sure wouldn't anticipate that in west Texas, where the deer and antelope play." Share fortune worth $750 million.

Jane B. Engelhard

Inheritance. Far Hills, N.J. 69. Twice widowed, 5 daughters. Father was Brazilian diplomat. Second husband Charles Engelhard Jr. (d. 1971) "Platinum King" (Engelhard Minerals & Chemicals); prototype for Goldfinger character in James Bond novels (author Ian Fleming was personal friend). He built $20 million inheritance into estimated $300 million estate; most left to wife. Jane intensely private; makes employees sign nondisclosure agreement: "Mrs. Engelhard is so rich and so grown up that she doesn't want all of that publicity." Collects rare books, manuscripts. Including trusts, controls fortune over $365 million.

Joseph Albert Albertson

Albertson's, Inc. Boise, Idaho. 81. Married, 1 daughter. Quit as Kansas Safeway store manager to open grocery in Boise 1939 with $5,000 life savings, $7,500 loan. First store featured rare popcorn machine, nickel "Big Joe" ice cream cones. Bagged groceries for customers at 1975 ceremonies celebrating first $1 billion-sales year ("I'm a little slow"). Copioneered drug-grocery store combination with L.S. Skaggs *(which see)* 1970; amicable split 1977. Boise's favorite son: "He and Richard Nixon still hold the record for the greatest attendance at Boise Chamber of Commerce programs." With 16% of Albertson's, net worth exceeds $365 million.

John William Berry Jr.

Yellow Pages. Dayton. 65. Twice divorced, remarried; 5 sons. Son of Loren M. Berry, who began selling horseradishes, then ad space for train schedules in Indiana. Moved to Dayton 1910 with $200. Talked phone companies into letting him sell directory ads, using paper of one color: dubbed "Mr. Yellow Pages." Died 1980, a Dayton legend at age 91. John Sr. took over, bought out siblings, expanded (1986 billings, over $800 million). Sold L.M. Berry Co. for estimated $335 million in BellSouth stock 1986, retired 1987. Sons John Jr. and Charles remain. Big Republican booster. Other holdings include cellular telephone, hunting supply firm. With stock portfolio, net worth at least $365 million.

Bella Wexner

The Limited, Inc. Columbus, Ohio. Mid-70s. Widowed, 2 children. Mother of Leslie Wexner *(which see)*, builder of vast women's apparel empire. After job as department store buyer, Bella opened women's clothing store with husband Harry (d. 1975). Joined son's store when specialized retailing boomed; Limited now has 2,915 stores. Bella occupies peach-colored office across hall from her son. Director, company secretary and adviser to Leslie. Supports local charities but very publicity-shy. Controls shares from Leslie worth over $365 million.

Alice Sheets Marriott

John Willard Marriott Jr.

Richard Edwin Marriott

Mother, 2 sons. Marriott Corp. Family of J. Willard Marriott Sr. (d. 1985), began root beer stand in Washington 1927, later called The Hot Shoppe. Opened first drive-in east of Mississippi. Expanded into chain, went public 1953. Opened first hotel 1957. Formed nationwide conglomerate of hotels, restaurants, in-flight catering services, airport gift shops. Bought Howard Johnson Co. 1985. Alice: Washington, D.C. 80. Widowed, 2 sons. With husband J. Willard Sr. cofounded Marriott Corp. still vice president. Active in Republican and charitable causes. Son J. Willard (Bill) Jr.: Chevy Chase, Md. 55. Married, 4 children. Became CEO 1972. Succeeded father as chairman 1985. Highly religious (Mormon), soft-spoken, family-centered man. "I have to make sure we do things right. It's my name over the door." His brother Richard: Potomac, Md. 48. Married, 4 daughters. Dick vice chairman, handles information systems, oversees Orlando TV station (11 radio stations sold 1987 for estimated $180 million), also heads restaurant division. Together the three control some 27 million shares, in addition to other assets, worth over $1.05 billion.

Richard Louis Duchossois

Manufacturing, media. Barrington, Ill. 66. Widowed; 2 daughters, 2 sons in business. After WWII Army service, joined father-in-law's small Thrall railroad equipmen manufacturing firm. Anticipating railroads' decline, diversified into ord-

55 members of The Forbes Four Hundred are women.

nance work, other manufacturing as Duchossois Industries (sales over $650 million). Thrall still leading freight-car manufacturer; also owns largest maker of garage door openers in U.S. Adding 4 radio stations to current 6, plus 1 TV: "I can pay cash for whatever I want." Operates Hill 'n' Dale horse breeding farm, Arlington Park racetrack. Puts in 7-day weeks: "The harder you work, the luckier you get." Net worth at least $350 million.

Walter Herbert Shorenstein

Real estate. San Francisco. 72. Married; 1 daughter, 1 son in business. Son of Long Island clothier, hired on as real estate salesman for Milton Meyer & Co. in San Francisco 1946 after Air Force. Named partner 1951, sole owner upon Meyer's death 1960. SF's largest commercial landlord; owns over 4 million sq. ft. offices, manages another 10 million, mostly prime "cereal box" towers. Put up $2 million equity to buy $660 million Bank of America headquarters 1985. "A buyer always pays too much, a seller always gets too little." Major Democratic fundraiser, candidates dance to his tune. Daughter Carole is Broadway producer *(Fences)*. Net worth estimated at $350 million.

Gordon Peter Getty

Inheritance. San Francisco. 53. Married, 4 sons. Fourth son of oil mogul J. Paul Getty. "Gordo" quit company 1966 after failed suit against father over dividends. Only family member at father's deathbed 1976. Sale of family trust's 40% Getty Oil to Texaco 1984 set off Pennzoil-Texaco debacle. Court order 1987 bars Gordon from acting as trustee, holds $3 billion trust in T bills. Prefers recognition as composer; penned opera *Plump Jack*, premiered in full in June, San Francisco. Wife Ann socialite hostess, publisher. With accumulated income from one-third trust, estimated worth at least $350 million *(see family)*.

Ralph Lauren

Apparel. NYC et al. 48. Married, 3 children. Born Ralph Lifshitz, Bronx, NYC; Russian immigrant father was mural painter. Army stint ("I love army clothes"), Brooks Brothers; salesman for necktie maker. First design hit: wide neckties 1967. With $50,000, started Polo Inc. 1967: "I couldn't call it Basketball." Brush with bankruptcy 1972, but grew with preppie boom: "I was always very preppie." Today his Old World styles help gross $1.3 billion, much licensed. Now retailing; opulent NYC flagship store. Benign brain tumor removed 1987. His 90% Polo, other assets, worth $350 million. "I still feel like a little boy. I don't feel like a grown-up."

Lawrence Arthur Wien

Law, real estate. NYC. 82. Widowed, 2 daughters. Son of wealthy silk manufacturer ("I am not the Horatio Alger type"), founded law firm 1929. With partners paid $8,000 for Harlem apt. house 1931. Pioneered real estate syndication 1949; funded deals for Harry Helmsley *(which see)*; duo called "the Rodgers and Hammerstein of syndication." After years of large fees from deals, able to buy largely on own account: major piece of Stevens Tower; also big chunk Empire State Building bought by Wien-led group 1961. "I'm a lawyer, not a real estate man." But fortune believed to exceed $350 million. Big giver to Columbia Univ., arts groups. Son-in-law Peter Malkin is heir apparent.

Betsey Cushing Roosevelt Whitney

Inheritance. Manhasset, N.Y. 79. Divorced, widowed; 2 children by first husband. Daughter of noted brain surgeon Harvey Cushing. Married James Roosevelt, eldest son of FDR. Frequent White House hostess; FDR's "favorite daughter-in-law." Divorced 1940. In 1942 married illustrious publisher of *New York Herald Tribune*, John Hay (Jock) Whitney (d. 1982), heir to sizable 19th-century fortune (oil, tobacco, land, railways) and onetime ambassador to Court of St. James's. Impressive art collection first exhibited to the public 1983 in National Gallery. Active in philanthropy, lives on 500-acre estate on Long Island. Believed to be worth minimum of $350 million.

Roy Michael Huffington

Oil. Houston. 69. Married, 2 children. Father killed by poison dart exploring for oil in South American jungle. Roy, with Harvard Ph.D. in geology, worked for Humble Oil (now Exxon) until 1956 when he formed Huffco. Concentrated on smaller wells. Moderate success until 1968; heard Indonesian area looked like Louisiana Basin geologically. Made huge oil and gas discovery; still has 17%. Earlier oil interest sold for $40 million after bitter fight with partner. "Most people don't realize how tough the oil business is. I don't encourage anyone." With oil rebound, worth over $350 million. "In Turkey they asked my wife if I was like J.R. She said I hope to heck he isn't, I'll tell him off."

162 members of The Forbes Four Hundred control fortunes that were mostly or entirely inherited.

Grover Connell

Food, equipment leasing. Westfield, N.J. 69. Married; 3 children, 2 in business. After WWII Navy duty, took charge of family's Connell Rice & Sugar Co. 1950 (sales, $2 million), built into nation's biggest independent broker/trader in rice and sugar. Expanded 1973 into heavy equipment leasing ($3 billion written). Combined revenues exceed $1 billion. Once dominated California rice exporting, South Korean imports. Well-wired Democrat. Charges of illegal activities

with Korean wheeler-dealer Tongsun Park dropped 1979. Developing 170-acre N.J. office park. Net worth believed to exceed $350 million. Once said, "I eat rice almost every day." Now denies.

William Shivers Morris III

Newspapers. Augusta, Ga. 53. Married, 3 children. Father William Jr. climbed from bookkeeper to sole owner of Augusta *Chronicle* in 1955. Expanded, willed to family (d. 1967). "Billy" bought out brother, sister, mother after family lawsuit 1970; founded Morris Communications. Family started its own non-competing chain, but Billy's is more profitable: now 14 dailies, 5 weeklies, *Quarter Horse News*, printing companies, one of nation's biggest billboard firms. Runs no-frills operation: managers' "massacre," editorial exodus followed purchase of Jacksonville, Fla. dailies 1982. "I only have to answer to myself and to my banker." Fortune estimated above $350 million.

Daniel Mauck Galbreath

Real estate. Columbus, Ohio. 59. Separated, 3 children. Father John, now 90, started real estate company from scratch 1921, prospered through Depression. Arranged buyouts of foreclosed properties, resold to owners in better times. Hit big with "package deals," taking tenant, builder, blueprints to bank for financing. John largely retired, Daniel now president J.W. Galbreath & Co.: manages over 25 million sq. ft. office space; equity in millions more. "The whole thrust is to build up equity for the family, to build a base for its future." Also Darby Dan horse breeding farms. Dan's daughter Lizanne works in NYC office. Estimated worth $350 million.

Stanley Irving Stahl

Real estate. NYC. 63. Divorced, remarried; 1 son, 2 stepchildren. Started as broker 1947, bought first Manhattan apartment building with saved-up commissions. Went out on a limb to build 1.7-million-sq.-ft. tower at 277 Park Avenue 1962; now Chemical Bank Bldg. Also owns other prime Manhattan offices, some 2,800 apartments, but not co-oping for now: "I just think it's too much of a hassle." Won 1977 court ruling denying apartment leases to "intelligent persons" who know law and may cause trouble. No recent purchases because "right now the competition's too keen." Half-interest in Broadway's Lunt-Fontanne theater. Net worth exceeds $350 million.

Jack Parker

Real estate. NYC, Boca Raton, Fla. 72, Married, 2 children. Son of blouse manufacturer, became lumber salesman; own company 1946; sold 1954: "I like to play tennis and golf, so I retired in my 40s. But I liked developing properties better." Three weeks later started construction company; suburban homes 1950s, then risky Parker Towers (first luxury high-rise in NYC's Queens) 1959. Expanded to Manhattan, built 2,000 apts. Gambled successfully on Hotel Parker Meridien 1981. Co-oped most apts., plowing proceeds into offices, condos NYC suburbs. Grandson Adam Glick is heir apparent. Fortune, in heirs' names, exceeds $350 million. A peer: "He's got more nerve than a lot of us do."

214 members of The Forbes Four Hundred built their fortunes without any significant inheritances.

Samuel Joseph Frankino

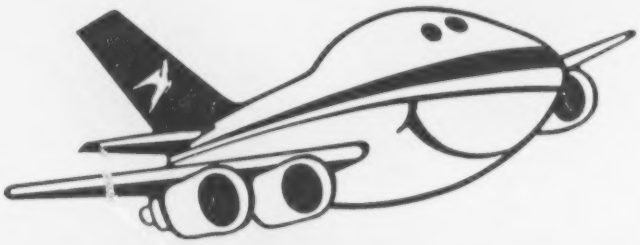
Agency Rent-A-Car. Palm Beach, Fla. and Pepper Pike, Ohio. 63. Divorced, remarried; 1 daughter. Small real estate fortune accumulated 1950s-60s. Modest beginnings: Insurance agent friend needed a car for a client; Sam rented him new car bought for daughter, discovered he had a business. "My daughter never did get that Impala." High utilization rate (94%), low debt keyed steady growth since founded 1969. "Really, it's an easy business." Still runs day-to-day operations: "I love my work, and I just pursue that." 31,000-car fleet, all U.S. models; nearly 500 offices in North America. Avid golfer. His 60% Agency stock, other assets worth $350 million. "My life hasn't changed."

Robert Alfred Lurie

Real estate, inheritance. San Francisco. 58. Divorced, remarried; 4 children, 2 adopted stepchildren. Son of colorful real estate, entertainment wheeler-dealer Louis, who built 300 buildings, produced Broadway hits (*South Pacific, West Side Story*), movies (*Tarzan*), died 1972. Empire inherited by Robert. Caretaker, not acquirer, of properties; eschews debt. Bought SF (baseball) Giants 1976: "It's not a toy, it's a full-fledged industry itself." Long-awaited domed stadium in downtown SF "not dead yet." Low-key cigar chomper, keeps hand in business by simple method: signs all checks personally. His Chicago, SF properties, incl. Mark Hopkins Hotel, worth over $350 million.

Gary Campbell Comer

Lands' End. Chicago. 59. Married, 2 children. Award-winning copywriter for Young & Rubicam 1952-62. Avid sailor, worked as salesman in sailmaking company. Competed in 1968 Olympic trials. Founded Lands' End, mail-order catalog for sailing supplies and accessories,



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1963. Small clothing section made big bucks. Focused on traditional apparel, eliminated sailing items by 1977. Company trademarks: polite operators, entertaining catalog. Comer: "I treat customers the way I want to be treated." Went public 1986. Shy, unpretentious Gary goes shoeless around the office. With Lands' End stock, other assets, worth well over $350 million.

Robert Charles Joseph Edward Sabatini Guccione

Publishing. NYC. 55. Twice divorced; 5 children. Brooklyn-born accountant's son, moved to Rome to paint at 18. Freelance cartooning, writing, acting didn't pay; started *Penthouse* London 1965, brought to U.S. 1969. More pubic hair than *Playboy* fueled rapid rise. Penthouse International now 9 publications (incl. *Omni*, *Four Wheeler*), film and video arm, etc. No longer bankrolls son Bob Jr.'s *Spin* following feud. Also selling half-built Atlantic City hotel/casino. Plans to wed 22-year partner Kathy Keeton. Despite *Penthouse* circ. drop, still has fortune over $350 million incl. real estate, silver-lined pool, art. Father: "I had hoped someday he'd be a famous painter."

Mortimer Benjamin Zuckerman

Real estate. NYC, Washington, D.C. 50. Single. Raised Montreal, son of tobacco, candy merchant. Got 2 law degrees, M.B.A. Made first $5 million at Cabot, Cabot & Forbes by age 29. Formed Boston Properties with Ed Linde 1970; also bought industrial space on own. Early Boston projects were controversial. Now controls over 10 million sq. ft. Built large office bldg. midtown NYC; long time leasing, now 90% full: "It seemed idiot-proof." Won $455 million bid for Coliseum site NYC with Salomon Bros. 1985; project pending. Bought ailing *Atlantic* 1980; paid $163 million for *U.S. News & World Report*, real estate 1984. Softball fanatic. Believed worth some $350 million.

Richard Wesley Snyder

Snyder General Corp. Dallas. 49. Married, 3 children. Singer Co. exec; made use of management ex-

perience, market conditions to achieve businessman's dream: buy out boss and make it your own. Climate control unit purchased for $27.5 million (all but $300,000 financed) 1982; independently appraised after deal at $83 million. Paid off debt, began to make acquisitions; value soared. Recent publicity spurred labor spat. Snyder: "I've learned a great lesson: keep a low profile." Booming sales plus increased margins in air-conditioning business suggest company worth over $350 million.

Jerome Kohlberg Jr.

Henry R. Kravis

George R. Roberts

Partners. Leveraged buyouts. Three dealmakers left Bear, Stearns & Co. 1976 to set up LBO firm Kohlberg Kravis Roberts & Co. Saw bonanza in "bootstrap" purchase of small companies with current management and borrowed capital. Stunned Wall Street with $355 million Houdaille Industries LBO 1979, then biggest public co. buyout. Latest record: Beatrice Cos. for $6.2 billion 1986. Also Safeway, Storer Communications, Union Texas Petroleum, etc.; total exceeds $30 billion. Collect 1% fee per deal, 20% of profit. Also 1.5% management fee for equity pools soon to hit $5 billion. Shrewd, discreet, all avid tennis players. Jerry: Mt. Kisco, N.Y. 62. Married, 4 children. New York-born lawyer and Harvard M.B.A., KKR "patriarch." Left KKR 1987 with son James to set up new merchant bank Kohlberg & Co., remains KKR limited partner: "I'll stick with deals where reason still prevails." Henry: NYC. 43. Divorced, remarried; 3 children. Son of oil geologist, raised in Tulsa. Collects 19th-century British art, on NYC Ballet board. Least private of bunch. On one deal: "We wanted the public to feel KKR wasn't in for the last dime and screwed them." George: San Francisco. 44. Married, 3 children. Kravis' cousin, detests NYC, runs SF office with 1982 partner, brother-in-law Robert MacDonnell who has smaller stake. Net profits so far known to exceed $345 million each—not counting expected Beatrice killings in works.

663 persons have been listed at least once in the six editions of The Forbes Four Hundred to date.

Thomas Mellon Evans

Investments. NYC. 77. Divorced, widowed, remarried; 3 children by first marriage. Graduated Yale; introduced to business by distant relative, Gulf Oil boss W.L. Mellon; career as acquirer undermanaged companies. Turnarounds include bankrupt H.K. Porter 1938, Crane Co., from 1959; more than 80 others. Relishes change in business environment: "Takeovers weren't respectable. Now they are." Resigned as head of Crane following losing battle with board and son Shel over buyout proposal T.M. favored; still controls H.K. Porter. Major holdings in Crane, Fansteel, others; horses, bonds, art. Net worth estimated at least $345 million.

Richard E. Jacobs

David H. Jacobs

Brothers. Shopping centers. Dick: Lakewood, Ohio; NYC. 62. Divorced, 3 children. Dave: Bay Village, Ohio. 66. Married, 3 children. Born, raised Akron; father sales manager for Goodyear: "Our first house was so close to the plant we could smell the rubber burning." In WWII, Dick led mortar outfit, Dave piloted blimps. After college, Dick followed Dave into real estate sales; assembled strip sites for Eddie DeBartolo *(which see)*. Met Cleveland strip builder Dominic Visconsi 1954, became partners; left Akron 1955. First big mall, Columbus' Northland, 1962. Now Jacobs, Visconsi & Jacobs is U.S.' 4th-biggest mall outfit: 40 million sq. ft. Bought out many of now-retired Visconsi's interests. Also 26 Wendy's franchises around NYC, interests in 4 Marriott hotels. Lately active in hometown: bought Erieview tower, added mall, plan more offices; bought Cleveland (baseball) Indians for $38 million 1986. Dick is driving force, dealmaker; intensely private, unpretentious: "If you met Dick for the first time, you wouldn't know he had a quarter." Dave handles architecture, construction; active in charities, church. Dick's share of fortune exceeds $345 million. Dave's portion more than $245 million.

William Wrigley

Chewing gum. Lake Geneva, Wis. and Chicago. 54. Twice divorced, remarried; 2 sons, 1 daughter. Grandson of William Wrigley Jr., enthusiastic salesman arrived Chicago 1891 with $32. Sold baking soda with premium: free chewing gum. Discovered gum sold better. Pioneered retail incentives for merchants (lamps, scales, razors). Introduced Wrigley's Spearmint, Juicy Fruit, Doublemint. Now world's largest manufacturer. William president; strength is marketing. Raises Arabian horses. Sold Chicago Cubs 1981 to pay parent's estate taxes. With Wrigley stock, other assets worth $345 million. "Basically gum is an adult pacifier."

Philip Hampson Knight

Nike, Inc. Hillsboro, Ore. 49. Married, 2 sons. Ran track at U. of Oregon. MBA Stanford, 1962. Worked as Price Waterhouse CPA by day, sneaker salesman at night. Founded Blue Ribbon Sports in 1963 with college track coach, Bill Bowerman. Imported Onitsuka Tiger sneakers from Japan until 1972 conflict with supplier: "You could say they got

greedy." Developed own; adopted "word-of-foot" policy, convincing Olympic marathoners to wear Nikes. Competition from rival Reebok stiff, but "if you really want to have a headache, be a dress shoe company." Hopes to market sneakers in China ("We're talking 2 billion feet"). Stock and other holdings worth $345 million.

William Arthur Fickling Jr.

Charter Medical Corp. Macon, Ga. 55. Married, 4 children. All-American guy: wife 1953 Miss America; 6-foot-4 Bill high school honor student, All-State in basketball, track. Attended Auburn on basketball scholarship; graduated cum laude 1954. After Air Force hitch as guided missile officer worked for father's real estate firm buying, selling nursing homes. Spun off Charter Medical 1969 to manage firm's 10 nursing homes; switched aggressively to hospitals, now owns or manages 83, most psychiatric. Also manages military health facilities in Abu Dhabi, United Arab Emirates. Hunts, plays golf, tennis. His Charter Medical stock worth $340 million.

James R. Cargill

Margaret Cargill

Inheritance. Brother and sister. Cargill, Inc. Grandchildren of William W. Cargill (d. 1909), founder of food-processing giant *(see Cargill/MacMillan family; also individual MacMillans, Keinath, Pictet)*. James: Minneapolis. 64. Married, 3 children. With company since 1947, now senior v.p., director. Said to concentrate on personal business affairs, e.g., has small real estate venture, Dinnaken Properties. Planning to build Univ. of Minnesota dorm even though university official informed DP that "enrollment was projected to drop drastically in the next five years." Expert trout fisherman. Margaret: La Jolla, Calif. 67. Extremely private. Little known. Together, thought to own their family branch's 25% Cargill stock, worth at least $670 million.

James Landon Knight

Knight-Ridder, Inc. Bal Harbour, Fla. 78. Widowed, remarried; 4 daughters. Set type on father's *Ak-*

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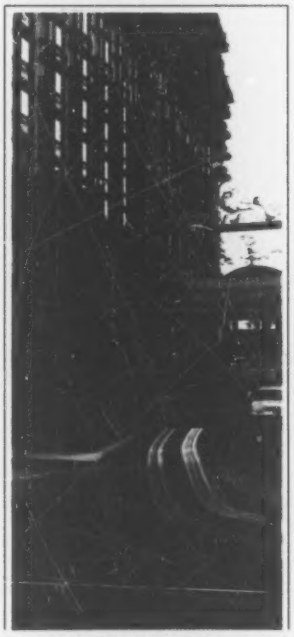

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ron Beacon Journal at 12; at 21 inherited two dailies, much debt with older brother John, who ran editorial side (d. 1981). James, long in shadow, handled business "nuts and bolts." Pair believed in big-city newspapering, bought *Miami Herald* 1937, *Detroit Free Press* 1940, *Philadelphia Inquirer* and *Daily News* 1969. Took public 1969, merged with Ridder family papers 1974, moved into broadcasting, cable. Knight-Ridder (revenues, $1.9 billion) now 33 dailies, 8 TV stations. Bulk of John's estate in foundation. James still a director; 9.6% Knight-Ridder stake, other holdings worth $335 million.

John Hammond Krehbiel Jr.

Molex, Inc. Downers Grove, Ill. 81. Father Fred invented Molex plastic by mixing coal tar pitch, asbestos fiber residues. John Sr. joined at outset 1938; president 1957. Made consumer items (flower pots, toy guns, clock cases) then electrical components. Most sales overseas; 21 foreign plants. John Jr. is now president, brother Fred is head of international operations. "When my two sons were learning the business, I kicked their asses all over the place." Grandson "Pete" worked one summer for nickel less than lowest-paid employee. Promotes from within; in-house management programs staffed by Harvard Business School professors. Krehbiel controls over 6 million shares worth over $335 million.

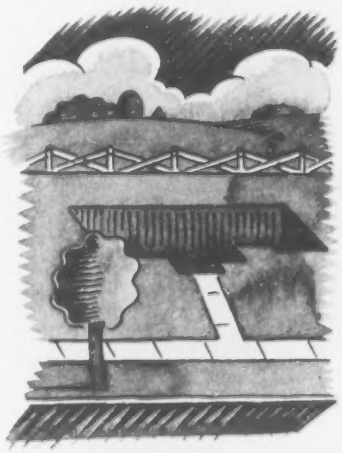
Samuel Zell

Robert Harris Lurie

Partners. Real estate, investments. Chicago. U. of Mich. fraternity brothers, anticipating inflation, bought distressed Sunbelt then Midwest properties in 1970s, rehabbed for fraction of new construction cost; sold some for big gains, picked up more. Now control estimated 25,000 apartments nationwide, 15.6 million sq. ft. shopping centers. Sam (the Gravedancer): 45. Married, 3 children. Son of Polish immigrants, peddled *Playboy* in grade school for 200% profit. Iconoclastic, confrontational; prefers denim to pinstripe. Robert ("a Woody Allen look-alike"): 45. Married, 6 children. Bob crunches numbers while Sam cuts deals: "I don't do anything without him, and vice versa." Focused scavenging tactics on industrial boneyard: took control Itel Corp., Great American Management & Investment; used tax-loss carryforwards in further buys. "It's the classic scenario of how to make one plus one equal three." Partners share fortune believed at least $660 million.

J. Miller Nichols

Real estate. Prairie Village, Kans. 76. Widowed, remarried; 4 children, 2 stepchildren. Father J.C. Nichols began buying land in Kansas City 1904. Foresaw advent of car age: developed idyllic communities with provisions for garages and filling stations. Built 55-acre Country Club Plaza, first suburban shopping center, 1922. Son Miller CEO 1950. Major holdings in KC, Des Moines, St. Louis, Fla. Took firm private in 1984. Known as staunch conservative. Banned break-dancing from shopping center spurring cries of racism. But "He's like the 500-pound gorilla, he sits anywhere he wants to." Owns some 67% of J.C. Nichols Co., other assets, worth over $325 million.



14 states have no residents who are members of The Forbes Four Hundred.

Sol Price

The Price Co. La Jolla, Calif. 71. Married, 2 sons. Practiced law 17 years; quit 1955 to launch The Fed-Mart Corp., mass merchandiser/supermarkets; pioneered house brands, "one-stop shopping." Sold out to Hugo Mann, German retailer. Fired by new management, started new company with son Robert. Nation's largest retail warehouse "club," sells merchandise to "members" at wholesale. Known for no-frills atmosphere: warehouse store in low-profile area, no advertising, no shopping bags, no extended hours. Profits surge. Chairman Sol's 10% stock, other assets, worth $325 million.

Virginia McKnight Binger

Inheritance. Wayzata, Minn. and NYC. 71. Married, 3 children. Only child of William McKnight, South Dakota boy who became key executive in fledgling sandpaper company, now industry giant Minnesota Mining & Manufacturing. Died 1978; left $500 million, $340 million to humanities foundation now run by Virginia *(see also Ordway)*. Husband James, 71, rose to head Honeywell, Inc; now retired, runs family's 5 Broadway Jujamcyn Theaters, handles family investments. Considering sale of family's top-flight Tartan horse farms in Ocala, Fla. ("That was Mr. McKnight's thing"); estimated proceeds: $60 million. With 3M stock, other assets, worth at least $325 million.

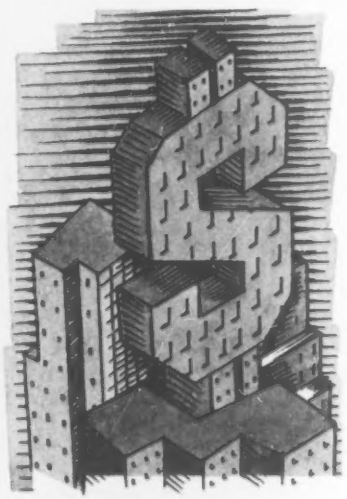
Malcolm Austin Borg

Publishing, TV broadcasting, inheritance. Englewood and Spring Lake, N.J. 49. Married; 2 sons, 1 daughter. Grandson of prosperous Wall Street stockbroker who bought into *Bergen* (N.J.) *Record*; wholly owned by family since 1930. Transformed by father Donald from small county daily to suburban powerhouse; Malcolm took reins 1971, bought out brother Gregory 1982. One of nation's most profitable dailies; union-free. Umbrella Macromedia Inc. also owns 4 TV stations. Keeps 10 TV sets at home, no VCR. Civic-minded, driven. "If all I ever have is

what I have now, then I'm happy." Through various family trusts, controls fortune estimated minimum $325 million.

Robert Einar Petersen

Publishing. Beverly Hills. 60. Married, childless. Father auto mechanic; mother died when "Pete" was young. Supported self by bagging groceries, pumping gas. Arrived LA 1944, worked as messenger, publicist for MGM. Car-racing buff, put out first *Hot Rod* 1947 in garage with partner, $400; hawked at drag strips. "I didn't even know what publishing was." Bought out partner 1950; built family of magazines for enthusiasts. Petersen Publishing now 12 monthlies (*Motor Trend, Guns & Ammo, Teen*); other special-interest publications. Wed Miss Rheingold (beer) of 1957. Also owns real estate, Rodeo Dr. art gallery. Net worth at least $325 million.



The metropolitan areas with most resident members of The Forbes Four Hundred are:
New York City 80
Los Angeles 31
Chicago 22
Dallas/Ft.Worth 19
San Francisco 19
Washington, D.C. 13
Wilmington 11
Boston 10
Minneapolis 9
Detroit 8
Houston 8
Seattle 8

William Gordon Bennett

William Norman Pennington

Partners. Circus Circus. Bennett: Las Vegas. 62. Pennington: Reno, 64. Both married with 2 children. Bennett managed properties for Del Webb; Pennington ran electronic gaming business. Incorporated Western Equities Co. 1971, distributing slot machines. Purchased ailing Circus Circus in 1974. Showed profit within 2 months. Caters to middle-class customers: inexpensive rooms, meals; live circus acts. Occupancy 100%. Expanding into Laughlin, Nev.: Colorado Belle complex in shape of river boat. "We are not in the gambling business. Ours is a retailing business." Ex-Navy fighter pilot Bennett: "I don't know what I'd do if I retired. This is fun." Each has over 25% of stock, worth $325 million.

Lewis Robert Wasserman

MCA, Inc. Palm Springs and Beverly Hills. 74. Married, 1 daughter. Night club manager/movie usher joined big band booking agency Music Corp. of America 1936; became president 1946 at 33. Handled Hollywood greats Jimmy Stewart, Alfred Hitchcock; also not-so-great Ronald Reagan. Acquired Universal Studios 1962; dropped talent agency business after government antitrust suit: "It was a useless, unwarranted act." MCA now diversified entertainment co.: TV, films, records, book publishing, etc. "Wasserman's the best dealmaker in town, bar none." Underwent June colon surgery; now back at work, but illness spurred takeover speculation. His 7% MCA alone worth $325 million.

Sydney Mark Taper

First Charter Financial Corp. Beverly Hills. 85. Widowed, 3 children. Born in Warsaw Christmas Day, educated in England. Peddled candy to classmates, real estate to British during Depression. Home builder, real estate broker 1930s; "retired" 1938, moved to Calif. to avoid war. Built GI housing, bought S&Ls, tapped vet market; founded First Charter Corp. 1955. Tough boss, revolving door management (one president lasted 10 weeks); cheap: "In England, we despised waste." Merged with Financial Corp. of America 1983; his share $285 million. With investments, should be worth $320 million. "However much he's worth, he's still got the original dime."

Patrick Joseph McGovern

Publishing. Nashua, N.H. 50. Divorced, remarried; 2 children. Son of Philadelphia constuction manager; 10th grade computer nut. Studied neurophysiology, edited computer magazine at MIT. Started International Data Group 1964 to collect computer market data. IDG now 93 publications, 30 countries (revenues $250 million). Flagship is *Computerworld* (circ. 128,000), one of nation's largest trades. Says will sell 51% of firm to employees when sales $1 billion. Wife Lore Harp marketing device to permit female urination standing up. Pat putting millions into Asian venture capital. "I enjoy starting new things." His 80% IDG, investments estimated worth $320 million.

Ernest Melvin Fleischer

Franklin Savings Assoc. Kansas City, Mo. 54. Married, 2 children. Specialized in bank and thrift tax law. Bought into small thrift 1967, now part of Franklin. FSA in risky markets: junk bonds, financial futures, mortgage-backed securities. Considerable expertise needed to stay afloat; "I try to stay out of the way of the people actually doing the work." Annual return on equity ranged from 62% to 98% since 1983. Time and money concentrated in firm. "I believe that I should not have any other investment. If there is a problem at Franklin, I should seek to fix it, rather than diversify away from it." Initial $25,000 investment now worth over $320 million.

Arthur Charles Nielsen Jr.

A.C. Nielsen Co. Winnetka, Ill. 68. Married, 3 children. Nielsen Sr. (d. 1980) founded market survey company 1923. Pioneered electronic meters to measure radio, television audiences 1940s. Today conducts extensive monitoring of TV, also retail activity. Nielsen sold company to Dun & Bradstreet, 1984; retained as director and consultant. "It's very hard, psychologically, to let go. I'm like an old firehorse. If you hear the gong, you come running out of the barn." Workaholic, compulsive problem solver, tennis fanatic. "I can name you 20 problems yet unsolved," e.g., people meters. Family's D&B shares worth $315 million.

Norman E. Alexander

Printing ink. Scarsdale, N.Y. 73. Married, 4 children. Grew up in South Bronx, son of spats manufacturer. Columbia law degree, never practiced; entered family business, which had switched to leggings. Got into film distribution, sold at profit; bought printing pigments firm, sold to Sun Chemical (major producer printing inks) 1957, became CEO, kept acquiring Sun stock. Several takeover attempts before successful Chromalloy acquisition. Sold graphic arts materials division to Dainippon 1986; renamed Sequa Corp. 1987. Owns Ampacet (smallish plastics company, Mount Vernon, N.Y.). His 67% Sequa, after debt; Ampacet, etc., worth at least $315 million.

Craig O. McCaw

Bruce R. McCaw

John Elroy McCaw Jr.

Keith W. McCaw

Brothers. McCaw Cellular Communications, Inc. Seattle. Sons of John Elroy McCaw who acquired radio station in Centralia, Wash. 1937. Expanded, acquired WINS New York, KYA San Francisco (both later sold). Also TV stations, cable pioneer 1950s. Died 1969. Craig: 38. Married, no children. Took active role in co. while at Stanford late 1960s; foresaw coming cellular technology. Steered family business into cellular telephones, radio common carriers (paging) 1970s. McCaw now largest U.S. cellular telephone co. (FCC licenses for 94 markets with 37 million pop.): "the AT&T of the cellular business." Pushed to sell cable interests to Jack Kent Cooke *(which see)* for $755 million. Chairman Craig considered industry genius: "If Craig made it, it was the right decision." Brothers (all vice presidents): Bruce. 41. Single. John. 36. Married, 3 children. Keith. 34. Married, childless. Three brothers licensed pilots. As kids worked summers installing cable, selling subscriptions. After recent McCaw public offering, 4 brothers share company stock worth $1.26 billion.

Floyd Dewey Gottwald Jr.

Bruce Cobb Gottwald

Ethyl Corp. Richmond, Va. Sons of Floyd Gottwald Sr. (d. 1982), who joined Ethyl predecessor Albemarle Paper Mfg. Co. 1918 as office clerk; became president of blotter paper maker 1941. Bought out Ethyl Corp. 1962; sold Albemarle unit 1968 for $55 million. Primary product TEL, antiknock gas additive, outlawed by federal lead-content laws; last U.S. plant closed 1985. Through acquisitions Ethyl Corp. prospering anyway (1986 revenues, $2.2 billion). Now in plastic, aluminum products, industrial chemicals, insurance, etc. Floyd Jr.: 65. Married, 3 sons. Chairman 1968, CEO 1970. Private, austere; jogs, fishes. Bruce: 54. Married, 3 sons. President since 1969. Brothers keep tight grip on Ethyl: "They treat the company like it's their own, and it is." Combined 18% Ethyl Corp. worth $620 million.

Albert B. Alkek

Oil. Victoria, Tex. 76. Married; 1 son, 1 daughter. Borrowed $250 from rancher-father to try luck in up-and-coming oilfields. First well 1939. Met mentor-patron Harry F. Sinclair (founder Sinclair Oil) 1941; merged, became Sinclair-Alkek 1948. Bought out Sinclair 1952.

The states with the largest concentrations of members of The Forbes Four Hundred are:
New York 78
California 62
Texas 33
Illinois 24
Florida 19

Since 1965 annual volume of Alkek's personal stock market trades $75 million; total invested over $125 million, much in oil cos. Biggest individual giver Methodist Hospital, Houston. Private; oil investments through other operators. Owns 30,000-acre Flying A Ranch with 200-foot-wide waterfall, imports exotic animals. Estimated net worth: above $310 million.

Norton Clapp

Inheritance. Seattle. 81. Married 4 times; 6 sons (3 deceased), 5 stepchildren. Grandson of Matthew G. Norton, one founder Weyerhaeuser Co. Grandnephew of another, James L. The Nortons shared in some 200 Weyerhaeuser companies around turn of century. Father Eben P. Clapp married the daughters of Matthew and James, in turn. Norton Clapp now double-dipper heir. Enlisted Navy, 1942; University of Chicago. Practiced law in Tacoma for over a decade. President Weyerhaeuser, 1960-66, chairman until retirement 1976. Still regarded as reclusive power in Northwest. With almost $100 million in real

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estate equity, personal investments and share of family trust, net worth certainly above $300 million, maybe far above.

Charles Allen Jr.

Herbert Allen

Herbert Anthony Allen

Stock market, real estate. NYC. Charles: 84. Divorced, remarried; 3 children by first marriage. Brother Herbert: 79. Widowed, remarried; 1 daughter, 1 son. Charlie reared in Manhattan cold-water flat, quit high school at 15, started bond-trading at 19 with $1,000, 2 phones. Brought in Herb 1928. Made first million, lost in Crash. Herb's deft Depression trading kept Allen & Co. going. Since 1930s, their bets on unlikely firms paid off in spades: Herb (now semiretired) put $3 million in Benguet Mining, later yielded over $45 million; Charlie's $1 million in Syntex 1958 now worth about $350 million. Invested heavily in Chicago, Kansas City real estate with late Arthur Rubloff. "We never had anything in writing." Charlie's investment record almost without equal: "I have hunches." Herb's son Herbert Anthony: 46. Divorced, remarried; 4 children. Joined firm 1962; defied father's advice buying 6% Columbia Pictures 1973; raked in $40 million on 1982 sale to Coca-Cola. Expanded into underwriting (incl. $1.6 billion Coca-Cola Enterprises), investment banking (steady client: Rupert Murdoch, *which see*). Allen & Co. still secretive, but active. In 1987: joined $293 million Research-Cottrell LBO. Family donated $15 million to NYC's Columbia-Presbyterian Hospital. With stakes in over 200 cos., real estate, shared fortune well over $900 million.

Fayez Shalaby Sarofim

Money management. Houston. 58. Married; 1 son, 1 daughter. Egyptian-born son of wealthy landowner; Harvard Business grad. Naturalized 1961. Wife niece of Brown & Root cofounder George Brown. Joined Anderson, Clayton finance dept. 1951. Launched Fayez Sarofim & Co. 1958 with father's $100,000. Owlish, ever-bullish, made name spotting oil-patch bargains; managed $1.2 billion assets 1969, $15 billion now. Old pal Ar-

thur Rock *(which see)*: "He has an uncanny knack of finding something good early and staying with it." His 72% of firm, stakes in Teledyne, Pennzoil, etc. worth $300 million. "It takes someone from abroad to recognize true potential."

Donald Michael Koll

Real estate. Newport Beach, Calif. 54. Married; 5 daughters, 1 son. LA native, Air Force jet pilot. Started in cousin's homebuilding business, struck out on own to build custom homes 1962. Soon switched to commercial projects. Got Aetna to finance huge business park on Irvine Ranch land 1968. Strong growth fueled by institutional partners; Koll Co. keeps half equity, split between Don, his execs. Now largest West Coast-based developer: controls 25 million sq. ft. offices, industrial parks from Seattle to Phoenix; one-third of it in Orange County. Low-key, modest: "People make too much of the guy at the top as some sort of wizard." Net worth well over $300 million.

Seymour B. Durst

Royal H. Durst

David M. Durst

Brothers. Real estate. Father Joseph, Austrian immigrant 1902, was a banker who started real estate firm 1915 to manage handful of NYC tenements (d. 1974). Sons shifted to midtown office buildings; assembled properties, pioneered Third Avenue offices 1950s, Sixth Avenue mid-1960s. Durst Organization controls about 4.5 million sq. ft. plus nearly 300,000 sq. ft. land around Times Square redevelopment (Seymour: "I'm not old—I look this way because I tried to develop on the West Side"). Seymour: NYC. 74. Widowed, 4 children. Leading force among brothers—land assembler, urban historian, persistent gadfly NYC zoning, housing controls: "New York builds bureaucracy, not housing. Bureaucracy is more profitable." Royal: Westchester Co., N.Y. 68. Married, 3 children. Handles management, construction, leasing. David: Chappaqua, N.Y. 62. Married, 5 children. Oversees design, engineering, some leasing. Next generation cutting teeth on midtown rental apts. Brothers share fortune well over $900 million; sister Alma has passive interest.

Among The Forbes Four Hundred, the average resident of New York State was worth $579 million; of California, $455 million (of Arkansas, $1.46 billion).

Alexis Felix du Pont Jr.

Alice Francis du Pont Mills

Helena Allaire Crozer du Pont

Brother, sister, sister-in-law of A. Felix du Pont, distant cousin Pierre, sided with him in family split 1915 *(see other du Ponts, family)*, rewarded with stake in family holding company Christiana Securities. A. Felix Jr.: Wilmington, Del. 81. Divorced, remarried; 3 children by first wife, 1 by second. Son, Michael, charged, sentenced to 358 days prison; wife Peggy, 179 days for investment scam through Du Pont Energy Control: Promised "miracle" products, energy-saving devices. Part of sentence included restitution of funds to investors from Michael's trust income—aftertax. Alice (Mrs. James Paul Mills): Middleburg, Va. 74. Married, 3 children. Brother, sister believed worth about $300 million each. H. Allaire: Chesapeake City, Md. 74. Widowed, 2 children. Husband Richard Chichester du Pont noted pilot killed in WWII glider crash. Successful horse breeder; among first women admitted to Jockey Club, 1983. With children, shares husband's inheritance, also believed about $300 million.

Merwyn Edward Griffin

Television. Beverly Hills et al. 62. Divorced, 1 son. As vocalist with Freddy Martin's Orch., had #1 hit: "I've Got a Lovely Bunch of Coconuts" 1950. Brief stints Warner Bros., Broadway; first hosting job: religious program *Look Up and Live* 1958; also game shows. *Merv Griffin Show* ran 1961-86. Started production co. 1962; first big hit: *Jeopardy!* Playing Hangman with sister on car trips inspired *Wheel of Fortune* 1973, most lucrative game show ever; Merv still concocts some puzzles. Sold out to Coca-Cola for $250-million-plus 1986. Still has radio stations, closed-circuit interests, real estate. Worth more than $300 million. "I am a thick blotter of mostly useless information."

Seymour Milstein

Paul Milstein

Brothers. Real estate, investments. NYC and Scarsdale, N.Y. Seymour: 67. Married, 2 children. Paul: 65. Married, 4 children. After WWII, Paul joined father Morris' Circle Floor Co., put floors in Rockefeller Center, U.N., etc. Seymour headed floor-tile outfit. Both companies sold 1960s; brothers then ousted in bitter boardroom struggles. Returned to corporate fray: bought into, ran United Brands 1975-84. First big real estate venture: apartment towers near Lincoln Center, early 1960s. Own refurbished Milford Plaza Hotel in theater district. Duped preservationists, reneged on agreement, trashed Biltmore Hotel's famed Palm Court to make way for office tower 1981. Embroiled in many lawsuits with city

over not being picked for public projects. Currently NYC's most active residential builders: 4,000 units on tap. Took over $3.4 billion Emigrant Savings Bank 1986. Froggy-voiced Paul is leading force; more polished Seymour the financial whiz. Paul on business philosophy: "We live in a jungle." With families, joint fortune estimated at well over $600 million.

Bernard H. Mendik

Real estate. NYC. 58. Divorced, remarried; 3 children by first wife, 1 son by second. Born Glasgow, raised poor in South Bronx. Into real estate with law school chum, now ex-brother-in-law, Larry Silverstein *(which see)*, 1957; split 1977, still partners some bldgs. On own, bought and upgraded office properties for institutions; now controls over 12 million sq. ft., much around NYC's Penn Station. Paid $480 million for 6,200 NYC-area apts. with co-oper Marty Raynes 1985, conversion going well: "This is a home run." Raised over $200 million through E.F. Hutton fund to buy offices. Worth more than $300 million. "I make it a rule never to fall in love with any building."

William Alvin (Tex) Moncrief Jr.

Oil. Fort Worth. 67. Married, 4 sons. Only son of legendary W.A. (Monty) Moncrief, World War I fighter pilot who left Conoco forerunner in 1927. After 4 years of dry holes, hit big in northernmost extension of vast east Texas oil field. Monty's investors in 1940s and 1950s included golf buddies Bing Crosby and Bob Hope. Active until death in 1986, age 90. Son W.A. Jr. (Tex) working in business since 1945. Oil and gas reserves in Tex., La., N.M., Wyo. and Fla. Busy? "Still drilling and looking for a little oil and gas." Still working hard? "I'm working harder." Mother Elizabeth, 89, officially inherited holdings, but Tex controls reserves and other assets worth more than $300 million.

Ruth Chandler von Platen

Times Mirror Co. San Marino, Calif. 89. Thrice widowed, remarried; 3 children, several stepchildren. Last surviving child (of 8) of Harry Chandler, S. California media and real estate empire builder *(see family)*. Died 1944, assets split among 7 living children. Ruth (Mrs. Karl G. von Platen) willful, conservative: lost fight to keep brother Norman from taking *L.A. Times* public, first family-owned paper to do so. "I don't want to be a dog in a manger." Second husband J.G. Boswell left her 11% of J.G. Boswell Co., largest U.S. cotton producer; since sold off stake. Including roughly 4.7% Times Mirror stock (in trusts), net worth believed at least $300 million.

Thomas Stephen Monaghan

Pizza. Ann Arbor, Mich. 50. Married, 4 daughters. Fatherless at 4, raised in orphanages: "It was like a prison." Thrown out of seminary

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school for pillow fights, etc. Sold vegetables, fish door-to-door. Read self-help books in Marines. Borrowed $500 to buy pizzeria in Ypsilanti, Mich. with brother 1960; traded VW for brother's share 1961. Today, delivery-only Domino's is second-biggest pizza chain: 4,000 stores, $1.4 billion systemwide sales. Bought Detroit Tigers for $53 million 1983. Collects Frank Lloyd Wright objects, classic cars. With 97% Domino's, worth more than $300 million. "Personally, I miss making pizzas. Sometimes my fingers itch to slap out dough."

Harry Howard Hoiles

Mary Jane Hoiles Hardie

Brother and sister. Freedom Newspapers. Surviving children of Raymond Cyrus Hoiles, shrewd Ohio man who started buying newspapers 1920s, *Santa Ana Register* 1935. Used papers to spread libertarian philosophy: opposed taxes, public police, etc. Three children inherited upon father's death 1970. Son Clarence *(see family)* headed until 1981 death. Succession dispute ensued. Harry: Santa Ana, Calif. 71. Married, 3 children. Longtime publisher *Colorado Springs Gazette Telegraph*, sued for control 1982, pending; offer to buy outright for $1.01 billion 1985 rejected. Mary Jane: Marysville, Calif. 65. Married, 4 children. Husband Robert C. Hardie, Freedom chairman, and other relatives unwilling to split up still-libertarian chain's 29 dailies (including flagship *Orange County Register*), 3 weeklies, 5 TV stations. Harry: "New management would not necessarily be better, but it would be more honest." Each holds one-third interest in company worth over $900 million.

Among the members of the Forbes Four Hundred, the estimated average net worth of those who have been divorced is at least $610 million; of those never divorced, at least $525 million.

Ronald Owen Perelman

Leveraged buyouts. NYC. 44. Divorced, remarried; 4 children. Held first board seat in grade school (at father's metal fabricating firm), continued there after Wharton. Borrowed $1.9 million 1978 for 40% of jewelry store operator. Turned into $4.4 billion empire (MacAndrews & Forbes Holdings) with speculative formula: Buy firms with undervalued assets, sell losers but keep cash-flow generators, pick strong managers, use junk leverage to buy or control still bigger companies (latest 2: Pantry Pride, Revlon). Doggedly pursuing Gillette. Every original $1 of his own controls $2,300 of other people's money. With profit from Drexel Burnham-managed restructuring of Revlon Group, net worth believed to exceed $300 million.

Gertrude Ramsay Crain

Publishing. Chicago, Ill. 76. Widowed, 2 sons. Husband G.D. Crain Jr. (d. 1973) founded Crain Communications 1916; first publication: *Hospital Management*. Started flagship *Advertising Age* 1930; expanded through startups, now over 20 trade consumer and business publications *(AutoWeek, American Drycleaner, Rubber & Plastics News)*. Also local business papers in Chicago, Cleveland, Detroit. New York business weekly launched 1985; bought, folded competitor, now "on budget" but still losing money. Sons, "Citizens Crain," help run co.: Rance, 49, president; Keith, 46, vice chairman; Gertrude remains chairman: "What she says, goes." Net worth at least $300 million.

David Theodore Chase

Real estate, media, investments, insurance. West Hartford, Conn. 58. Married, 2 children. Born David Ciesla in Poland; survived Holocaust; lost parents, sister to Nazis. Arrived U.S. 1946, spoke six languages. Worked as door-to-door salesman; then, small-time contractor. Early project: a temple with monument in honor of parents. "You never erase the scars, but it hasn't held me back." Developed shopping centers early 1960s, Hartford office tower 1972, other offices early 1980s; diversified into 6 radio and 2 TV stations, cellular radio, bank, large stock portfolio. Moving into insurance; acquired Houston's Ranger Co., 1986. Daughter Cheryl chief counsel, son-in-law Roger Freedman exec. v.p. Son Arnold runs TV and radio. Upward of $100 million spun off to each child; David's retained net worth estimated at least $300 million.

Pierre Samuel du Pont III

Edith du Pont Pearson

Willis Harrington du Pont

Inheritance. Surviving children of Lammot du Pont (brother and key associate of Pierre), president Du Pont Company 1926-40, chairman 1940-48; d. 1952 *(see various du Ponts, family)*. Pierre III (Big Pete): Rockland, Del. 76. Widowed, 3 children, including Pierre IV, 52, governor Delaware 1977-85, now Republican presidential hopeful, swinging from moderately liberal to conservative view. Edith (Mrs. George Burton Pearson Jr.): Montchanin, Del. 75. Widowed, remarried; 5 children by first marriage. Husband is a retired Delaware judge. Willis: Palm Beach, Fla. 51. Married, 3 children; son of Lam-

mot's fourth wife (other siblings by first). Citrus, cattle, banking investments Florida. All three are believed to share equally in father's estate, along with offspring of deceased siblings. Pierre's share lightened by his movie-backing losses. Combined fortune believed to exceed $900 million.

Maurice Raymond (Hank) Greenberg

American International Group. NYC. 62. Married, 4 children. Left high school to join Army WWII, University of Miami 1948, NY Law School 1950 on GI Bill. Entered insurance business at chance interview; interview went badly; Greenberg went to higher execs, hired on the spot. President and CEO, AIG, 1967. AIG started in Shanghai 1923 by Cornelius Starr. Went public 1969, currently in over 130 countries, 1986 revenues over $8.8 billion. Renowned as tough boss who expects results. Fortune must well exceed his AIG holdings worth over $300 million.

Alfred Mack Pogue

Real estate. Dallas. 53. Married, 3 children. Former high school football coach from Sulphur Springs, Tex. Became real estate broker, teamed with Trammell Crow *(which see)* on Lincoln's birthday 1965, built garden apts. Bought out Crow's interest for $150 million 1977, diversified into commercial property. Today, Lincoln Property Co. is number two U.S. diversified developer, approx. $5 billion assets. Abides by "Pogue's chicken formula": Give up equity, put up no cash. "The only way you can lose money is if you spend it." Lincoln has curtailed construction in overbuilt markets, but Mack is still eager: "I don't want to be slowed down." Worth more than $300 million.

Howard Brighton Keck

Superior Oil Co. Los Angeles. 74. Married; 4 children. Father William M. Keck Sr. came to Texas 1901 during great Spindletop oil boom. Legendary wildcatter said to taste-test drilling core samples; founded Superior Oil Co. 1921. Pioneered offshore drilling Venezuela, Gulf of Mexico. Sons William Jr. (d. 1982), Howard grew up rivals; father chose Howard as successor after failed attempt to sell co. 1959. Howard Superior CEO until 1981; diversified into mining, farming, timber. Forced off board during 1983 family feud with sister Willametta Keck Day (d. 1985). Now runs $650 million Keck Foundation; owns horses (1986 Kentucky Derby winner Ferdinand). Superior Oil bought by Mobil 1984 for $5.7 billion. William Jr.'s share inherited by William II *(see Dropouts)*; Howard's share now worth $300 million.

Abraham Spiegel

Columbia Savings & Loan, real estate. Beverly Hills. 81. Married; 1 son, 1 daughter. Czechoslovakia-born survivor of 2 Nazi camps, arrived New York City 1947. Headed west after 10 days; started liquor distributorship, failed. Succeeded as builder: 10,000 homes in San Fernando Valley, Orange County. Also controlled, sold 2 S&Ls; bought forerunner Columbia 1974, named chairman 1976. Politically influential, heavy donor to Jewish causes; armed guards at exec. offices. Son Thomas, 41, president, led earnings growth buying Drexel Burnham junk bonds. Tom's 1986 compensation: $3.9 million. Abe and family's 53% (fully diluted) of Columbia, real estate believed far over $300 million.

21 members of The Forbes Four Hundred are immigrants.

James Emmett Evans

Citrus. Dade City, Fla. and Highlands, N.C. 87. Widowed; remarried, divorced; 1 son, 1 daughter. Former Ford dealer packed suitcase into Model T, headed to Florida, bought first orange grove 1925. Now over 20,000 acres productive orange groves; also grapefruit: "I can make more money in grapefruit since Texas froze." Slick dealer, "The Wheel" spends 6 months a year at Highlands, N.C. "playhouse"; plays gin rummy with old buddies: "They love it 'cause I feed 'em lunch." Second marriage lasted 3 months 1986; says he's not ready for third try: "I told my kids they wouldn't have to worry for this summer at least." Net worth estimated at least $300 million.

Albert Lee Ueltschi

FlightSafety International, Inc. Greenwich, Conn. 70. Widower, 4 children. "Barnstorming" pilot 1930s, Pan Am pilot WWII, started flight instruction firm 1951; mortgaged home to buy first simulator 1954. Today trains over 26,000 pilots at 30 "learning centers" around U.S. Expanding into marine operations, training 1,200 Naval officers a year. Actively involved in Project Orbis, flying eye surgery hospital. Ueltschi's outlook is "bullish." "I'm just getting started. I've never had so much fun." With family, owns some 7.9 million shares worth $300 million.

Marian Uldine Day Smith

Inheritance, real estate. Atlanta, Ga. 53. Widowed, remarried; 5 children. First husband Cecil B. Day, son of Baptist minister, residential developer, saw need for budget motels with amenities during road trips with kids. Built first Days Inn

motel 1970; by Cecil's death 1978 (at 44, of cancer) had 40,000 rooms. "He never did want to be in hotels." Wife "Deen" pared older rooms, expanded to 45,000. Sold to Saul Steinberg *(which see)* 1984 for $615 million; proceeds (after debt) and recent sale of last three Fla. hotels, plus other assets, worth over $300 million. Environmentalist, Baptist: "I want to use the assets for His glory. We're straitlaced but not right-wingers."

George Soros

Money manager. NYC, Long Island. 56. Divorced, remarried; 4 children. Born Budapest; London School of Economics grades not good enough to make professor, emigrated to U.S. 1956. Currency trader, stock analyst; started Curaçao-based Quantum Fund for foreign investors 1973. Hit for fences: shorted Avon at 120. Now manages $2 billion, some 19% his. Hobnobs with finance ministers in 5 languages. Dubbed "world's greatest money manager": 16,300% return on investments since 1969. "We start with the assumption that the stock market is always wrong. If you copy everybody else, you're doomed to do poorly." Lately one-third of Quantum is in 19 of 30 DJIA stocks. Soros worth far over $300 million.

Among members of the Forbes Four Hundred, those whose fortunes are primarily inherited have an average estimated net worth of at least $580 million.

Those whose fortunes include little or no inheritance average at least $525 million.

Leonard Maximilian Marx

Real estate. Scarsdale, N.Y. 83. Married, 3 children. After Yale 1925, became broker, located properties for chain stores. Expanded to shopping centers. Now owns "several hundred problem centers," mostly strip malls, nationwide. Bought venerable Cross County Center, Yonkers, N.Y. 1968: "It's the mother of all malls." Wheels and deals: "We're allergic to vacancies." Also midtown office properties NYC; some deals with pal Charlie Benenson *(see Dropouts)*. Still building strips: "We've always got one going. It keeps us out of trouble." Leonard Jr., daughter Jennifer in business. Informed peers say net worth exceeds $300 million. Len Jr.: "Much too high."

John Lee Cox

Oil. Midland, Tex. 62. Married; 1 son, 1 daughter. Grew up in tiny west Texas town where father worked for oil company. Graduated Rice U., became petroleum engineer 1946. Decided 1952 "I can do this on my own." Major early partner NYC financier Joseph Gruss *(which see)*. Now the quintessential Texas oilman, one of largest independent producers in state. Major operations in west Texas' Sprayberry Trend. Also New Mexico, Oklahoma, Wyoming. And, of course, a ranch. Jokes: "If you don't have 50,000 acres in west Texas, you can't wear boots." Son, son-in-law in business with him. His interests believed worth at least $300 million.

Robert Orville Anderson

Oil, land. Roswell, N.M. 70. Married; 2 sons, 5 daughters. Robert borrowed $50,000 on father's guarantee 1941, invested in N.M. refinery; drilled 200 dry holes until big strike 1957. With proceeds bought over 1 million acres, mostly ranches, in Southwest; still one of nation's largest landowners. Sold refinery to Arco predecessor 1962, became CEO 1965; "retired" 1986, formed Hondo Gas and Oil Co. Announced $240 million merger with Pauley Petroleum 1987; Anderson to be chairman/CEO: "We don't expect to be a sleeping company." Selling off land, livestock as focus returns to oil. Fond of bow ties, Stetson hats. Pauley stock, other assets, worth over $295 million.

Kenneth Nicholas Pontikes

Comdisco, Inc. Barrington, Ill. 47. Divorced, remarried; 3 children by first wife. Greek immigrant's son worked way through school with job in father's grocery store, later as Chicago Union Station "red cap" ("I lied about my age"). Quit as IBM salesman 1968, launched Computer Discount Co. with $5,000 1969; Comdisco now world's largest independent lessor of computing equipment (1986 sales, $900 million). Stock crashed $39, to $8 1984 after SEC, IRS investigations; $200 million judgment settled for $6 million 1986: "It cost us a lot of crap." Stock bounced back nicely: his 22% worth $295 million. "Business is what I do well, and I enjoy it."

Frederick Wallace Smith

Federal Express Corp. Memphis. 43. Divorced, remarried; 8 children. Father cofounder Greyhound Bus Lines. Fred suffered from crippling bone disease until 10. Decorated Vietnam Marine pilot: "I got so sick of destruction and blowing things up—on people I had nothing against—that I came back determined to do something constructive." Proposed overnight mail service earned "C" from Yale economics professor. Used family, personal inheritance ($11 million), $60 million financing to form Federal Express 1973. His 8% now worth $295 million. "One thing I learned: Don't borrow a little money. If you do, you have a lender. If you borrow a lot, you have a partner."

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David Graves Mugar

Inheritance, broadcasting. Boston. 48. Divorced, remarried; 3 children. Father Stephen (d. 1982) owned Star Market supermarket chain, sold out to Jewel Tea Co. 1964. David, onetime firechaser, award-winning spot news photographer; fought 13 years to wrest local TV station WNEV from RKO General. Finally bought 1982 for $22 million, putting up $1.7 million of his own. Made more profitable with "mass market" programming. Rift with highbrow partners; co. bought out dissidents 1986. His 65% share now worth $160 million. With real estate, other interests net worth at least $285 million. Charitable; explains why: "I wear Brooks Brothers shirts every day [$36.00, retail]. They last forever. So what are you going to do with your money?"

Edmund Newton Ansin

Broadcasting. North Miami. 51. Divorced, 3 children. Son of Massachusetts shoe manufacturer who bought Florida property 1940, Miami TV station (NBC) 1962 for $3.4 million. Wharton grad Edmund took over upon father's death, 1971. NBC bid to purchase competing Miami station, cancel affiliation could drastically lower current $275 million value. Issue has brought Ansin out of his shell, before FCC: "General Motors can't come in and sell Fords across the street from a Chevrolet dealer." Drives leased Buick, plays racquetball at public courts. His 100% Sunbeam TV Corp., share in 2 Calif. radio stations, Florida real estate worth over $280 million.

Charles Cassius Gates Jr.

Gates Corp. Denver. 66. Married, 2 children. Father's small business, 1911, sold steel-studded leather bands for tires when only 5,000 cars in all of Denver; sales boost when ads for leather horse halters featured Buffalo Bill Cody. Diversified to rubber: tires, belts and hoses; Charles' uncle invented V-belt 1917. Dad delivered Charles Jr. in back seat of family Packard. Inherited, 1961, with 4 sisters. Dumped tire business 1974. On "roll of the dice," bought two-thirds moneylosing Learjet Industries 1967; profitable 1970s, was recently sold for $63 million. Private company, sales

$1.1 billion, will remain private. Net worth, including real estate, exceeds $280 million.

Peter Jay Sharp

Real estate. NYC. 57. Widowed, 3 children. Father Jesse was major hotelier (Ritz, Delmonico, Stanhope) NYC 1920s; died 1941. Mother Evelyn took over, expanded; sold everything 1960s, now collects art. After Princeton, Peter went into real estate on own 1957. Owns prime Manhattan office buildings, interests in many apartment houses, but crown jewel is Carlyle Hotel, a.k.a. "Peter's place." Many investments with Jack Nash and Leon Levy's Odyssey Partners, including Avatar Holdings (successful Florida real estate turnaround), Chicago-Milwaukee Corp. Much hidden, but worth well over $275 million. "Who knows? If you have to count it, you're in deep trouble."

Jesse Mack Robinson

Banking. Atlanta. 64. Married, 2 daughters. College dropout, sold used cars; built chain of auto loan companies. "Mack" bankrolled Yves St. Laurent 1960; sold 80% stake 1966 for $1 million. Bought or opened some 22 banks, branches in 76 towns; often only bank around. Largest, First National Bank of Atlanta, merged with First Wachovia 1985; his 4.7% stake recently worth $100 million. Self-styled mini-conglomerator: lumber mills, billboards, pest control, insurance. "I let my people run them, I worried about money. Of course, I charged interest." Gradually selling out after heart attack 1986. Breeds Thoroughbreds at Thomasville plantation. Net worth estimated at least $275 million.

Richard Jerome O'Neill

Alice O'Neill Avery

Brother and sister. Inheritance, real estate. Grandfather Richard O'Neill left Ireland, managed friend's huge southern California ranch; got half of property in return. Grandchildren inherited 50,000-acre O'Neill Ranch 1943; some land sales, donations. Developed 11,000-acre Mission Viejo tract mid-1960s with Donald Bren *(which see)*; sold to Philip Morris for $72 million. Now developing 5,000-acre planned community Rancho Santa Margarita, Orange County; headed by Alice's son Anthony Moiso. Richard: San Juan Capistrano, Calif. 64. Married, childless. "Uncle Dick" known for rumpled appearance. Ranching interests Mexico, Nevada; also LA restaurants. Powerful in state Democratic politics. Alice: Los Angeles. 70. Divorced, widowed; 3 sons. Dick and Alice share ranch, other assets worth $550 million. Dick: "I don't like sure things. Money in trusts drives me nuts."

Richard Palmer Kaleiokuʻ Smart

Inheritance, ranching. Honolulu and Waimea, Hawaii. 74. Divorced, 2 sons. Great-great-great-grandson of John Palmer Parker, Boston-born sailor hired by King of Hawaii to shoot wild cattle; married king's granddaughter with dowry of 2 acres, gradually assembled 50,000 more. Orphaned Richard raised by grandmother: "Auntie Tootsie was a great poker player." Left Stanford for Broadway, performed for 25 years (baritone). Today runs Parker Ranch, largest single-owner U.S. ranch (225,000 acres, 10% Island of Hawaii), produces one-third state's beef. Won 10-year estate case against 200 other descendants 1986; local prep school to inherit. With art, net worth at least $275 million. "If you print one word about me in your damn magazine, I will sue."

William Morse Davidson

Guardian Industries Corp. Bloomfield Hills, Mich. 64. Thrice divorced, remarried; 2 children. Practiced law briefly, took over uncle's interest in Guardian Industries, then a failing windshield fabricator. Took public 1968. Now 4th-largest U.S. glass manufacturer; 15% of flat glass market, 8% automotive glass. Took private 1985 in $330 million LBO. Bill also owns 62% Detroit (basketball) Pistons. Angered workers and stadium owners 1986: broke local UAW union to hire cheaper help, will move Pistons from Pontiac Silverdome to new arena. Recently sold film-processing operations to company he partially controls. Net worth is over $270 million.

Lloyd Edward Cotsen

Neutrogena Corp. 58. Bel Air, Calif. Widowed, remarried; 2 daughters, 1 son. Princeton, Harvard M.B.A. 1957; worked as archeologist in Greece between schools. After brief stint in Navy, expelled from architecture school: "I was no good at it." Joined father-in-law's skin-care products firm 1958 "because I couldn't get a job"; installed "find-your-own-niche" strategy. Neutrogena now leading maker of specialty soaps, skin-, hair-care products (1986 sales, $100 million); co. manufactures 90% of its products. Secret of success: "False modesty." Active in Jewish charities, museums, schools. His 53% Neutrogena worth over $265 million.

Dorrance Hill Hamilton

Hope Hill van Beuren

Tristram C. Colket Jr.

Charlotte Colket Weber

Campbell Soup Co. Grandchildren of John Dorrance Sr., who invented condensed soup in a can 1899; at death 1930 Campbell stock, other investments worth $129 million. One-third to John Jr. *(which see)*; one-sixth to each of 4 daughters, now deceased; their children inherited. Dorrance (Dodo) Hill Hamilton: Strafford, Pa. 59. Married, 3 children. Campbell director. Her sister Hope (Happy) Hill van Beuren: Middletown, R.I. 53. Married, 3 children. Cousin Tristram C. Colket Jr.: Paoli, Pa. and Bar Harbor, Me. 49. Married, 3 children. His sister Charlotte Colket Weber: Ocala, Fla. and NYC. 44. Married, 4 children. Breeds, races Thoroughbreds. With much in trust, these 4 share Campbell stock, other assets worth nearly $1.1 billion. Their cousins George Strawbridge Jr. and Diana Strawbridge Norris *(see Dropouts)* are also heirs.

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AGS

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Robert Ruliph Carpenter Jr.

Irene Carpenter Draper

Brother and sister. Inheritance. Surviving children of Margaretta L. du Pont, sister of Pierre S. *(see various du Ponts, family)*. Their father, Ruly Carpenter Sr., included in formation Christiana Securities. Robert (Bobby): Montchanin, Del. 72. Married, 3 children. Director Christiana until sale to Du Pont 1977. Owned baseball Phillies, sold 1981 by son Robert Ruliph III for $30 million. Irene (Mrs. James A. Draper III): Montchanin, Del. 76. Twice divorced, remarried; 5 daughters by first marriage. At one time cut hair for friends and relatives in gameroom barber's chair. Brother, sister, heirs of brother William (d. 1987) share fortu..e estimated at $780 million. Robert, Irene worth $260 million each.

James Haller Ottaway Jr.

Newspapers. Campbell Hall, N.Y. 76. Married; 2 sons, 1 daughter. Father cofounded Michigan daily; James raised with business: "We did everything." Editor high school, college papers; married features editor of latter 1934. Together bought New York semiweekly 1936 with bank loan, savings; became 9-paper Ottaway Newspaper chain, sold to Dow Jones 1970 for $37 million in stock. Swims twice a day, active in civic affairs. Sons also followed his footsteps: James Jr. heads Ottaway Newspapers, other divisions; David *Washington Post* reporter. With family, Dow Jones stake now worth minimum of $255 million.

Guilford Glazer

Real estate. Beverly Hills. 66. Divorced, remarried; 2 children. After WWII service, built up structural steel plant in native Knoxville, Tenn. First building: apt. house for mother. Selected to build Oak Ridge shopping center early 1950s, added centers Ohio, W. Va. To LA 1960: "I thought I'd take life easier and enjoy things, but found I enjoyed working." Built LA's Del Amo Fashion Center 1971, expanded. Now at 2.65 million sq. ft., 2nd-largest U.S. mall. Several more office, industrial, mall projects nationwide. Very active Jewish causes: former Israel bonds chairman, confidant of Israeli prime ministers; also active U.S. politics. Worth well over $250 million.

John Arrillaga

Richard Taylor Peery

Partners. Real estate. Palo Alto. John: 49. Married; 1 son, 1 daughter. Richard: 48. Married; 3 sons, 1 daughter. Silent lords of Silicon Valley commercial space, live two blocks apart. John son of S. Calif. potato farmer, won Stanford basketball scholarship, worked as commercial real estate broker 1957-67. Dick devout Mormon, son of BofA honcho, sister Nancy married Richard E. Marriott *(which see)*. After Stanford business, managed ragtag SF peninsula properties for father's family. With BofA contacts, financing bought up fruit farms for approx. $35,000/acre anticipating Silicon Valley (now up to $1 million/acre). Joined forces 1967: John cuts deals, handles construction, leasing; Dick's the money man, land buyer. Both intensely private, driven. Colleague: "Toughest businessmen I've ever dealt with." Pair owns at least 5 million sq. ft., sold millions more to Prudential, California Teachers Trust. Now buying up tracts around Sacramento. John fanatic gardener, planting 200-acre private arboretum with remote-control waterfalls. Dick avid outdoorsman, fisherman. Partners share fortune estimated at over $500 million.

Frank Sherman Morgan

Sherman W. Dreiseszun

Nephew, uncle. Banks, real estate Kansas City, Mo. Morgan: 60. Divorced, 5 children. Dreiseszun: 63. Married, 2 children. Morgan, son of immigrant traveling salesman, sold surplus war goods after WWII stint as naval storekeeper. Joined uncle Dreiseszun in sportswear business 1950. Partners ever after ("It's like they're married"); Morgan in lead. Opened small suburban bank 1964, first big shopping center 1967. Now 11 KC area banks: assets approaching $5 billion, superb returns. Over 11 million sq. ft. shopping malls, half around KC. Dreiseszun manages malls; Morgan runs banks, does real estate deals. Called major force behind KC's downtown building boom ("I don't know another

city where one man is the economic force that he is"). Both extremely secretive, shun traditional KC society. Their holdings, almost all in family trusts and friends' names, estimated over $500 million.

The average estimated net worth of members of The Forbes Four Hundred who are known to have graduated from a college or university is at least $615 million. The average for those who never attended college: $540 million.

Max Martin Fisher

Oil, investments. Detroit, NYC, Palm Beach. 79. Widowed, remarried; 5 children. Son of Russian immigrant peddler, to Ohio State on football scholarship 1926. Went to work for dad's tiny oil reclaiming plant at $15 a week, swung deal to build new refinery; built into fully integrated firm, Aurora. Acquired Speedway 79 gas stations 1947. Sold Aurora to Marathon Oil for stock 1959, tendered stock to U.S. Steel 1982 for about $200 million. Many real estate deals, including Irvine Ranch killing, with buddy Al Taubman *(which see)*. Gives half of his income to charity; a major supporter of Israel. GOP kingmaker, Nixon confidant. Net worth well over $250 million. "I pride myself on my humility."

Hugh Franklin Culverhouse

Real estate, banking, football. Tampa. 68. Married, 2 children. Boxer at U. of Alabama; sparring partner: George Wallace. IRS prosecutor, then premier tax attorney; clients incl. Richard Nixon, Bebe Rebozo. Paid $12 million for Palmer Ranch, 11,500 prime Sarasota acres 1970; sold about half for $35 million 1981, slowly developing: "It's another Irvine Ranch." Hostile bid for Florida bank 1984 still stalemated; 3rd offer 1987. Vast real estate, banking interests throughout state. NFL expansion franchise 1974; Tampa Bay Bucs perpetual doormats, but locally popular. Hugh very influential among league owners. Net worth: at least $250 million. "I can't be a half-way person."

Vivian Leatherberry Smith

Inheritance. Houston. 79. Widowed, 2 daughters. Husband R.E. (Bob) Smith started in oil, used profits to buy land in and near Houston 1950s. Once owned 17 square miles within city limits; wife still owns much land around famed Galleria mall, also Texas, Oklahoma ranches. Bob was dynamic, civic; helped bring major league baseball to Houston (owned land under Astrodome), active in Methodist causes. "Bob could never have been a Roman Catholic. He couldn't be Pope." Vivian serves as director Texas Medical Center; owns 12% Astros; also oil, ranching, banks, shopping centers. Trusts she controls believed worth over $250 million.

Irwin Lawrence Jacobs

Investments, takeovers. Minneapolis. 46. Married; 1 son, 4 daughters. Son of Russian immigrant grainbag maker, joined family business after 3 days of college. At 18 "Irv the Liquidator" sold closeout goods from warehouse. Bought ailing Grain Belt brewery 1975, liquidated for $4 million gain. Scored again collecting bankrupt W.T. Grant receivables. Bought control predecessor Minstar 1978, main vehicle for greenmail—Borg-Warner, Disney etc.; spun off boatmaking unit Genmar 1986, now set to swallow its parent. Minn. investor Carl Pohlad *(which see)* mentor, partner; co-own 51% (nonvoting share) Minn. Vikings. Cuts losses: "I'm very patient, but I'm not Don Quixote." Worth at least $250 million.

M. Larry Lawrence

Real estate. San Diego et al. 61. Twice divorced, remarried; 3 children. Raised poor on Chicago's North Side: "It builds a lot of character." Served in Merchant Marine WWII, very brief pro football stint. Contractor in Chicago, moved west 1953. Built over 11,000 "affordable" houses, apts. Now holds over 3,000 units, plus offices, industrial parks, etc. Labor of love is San Diego's grand, historic Hotel del Coronado, valued over $250 million. Also Palm Springs Racquet Club. Liberal Democrat, leader in state politics. Big donor to education: scholarships, endowed chairs. After debt, net worth $250 million. "I'm looking to buy a jet and go hopping around the world laughing."

Monroe Gary Milstein

Burlington Coat Factory Warehouse. Burlington, N.J. 60. Married, 3 sons. After NYU 1946, merged with father Abe's firm in Manhattan 1953. Paid $750,000 for failing Burlington Coat Factory store 1972. Now over 100 stores coast-to-coast. Took it public 1983. Lost 1984 takeover of Washington D.C.'s Woodward & Lothrop to Al Taubman *(which see)* but cashed in on publicity: "Now we get a proposition once a month." First cousin to NYC real estate's Milstein brothers *(which see)*. "If you enjoy your work, you're on vacation all the time. I'm a very fortunate man." His 60% stock, proceeds from offering worth over $250 million.

Lydia Kalmanovitz

Inheritance. Tiburon, Calif. 83. Widowed, childless. German-born wife of Paul Kalmanovitz, Polish

merchant marine came ashore U.S. age 20. No schooling, taught self English; washed cars; managed, bought into nightclubs, apts. After 1945 holdup, couple refused to be photographed again. Swapped real estate for LA brewery 1950. Acquired Falstaff for $10 million 1975, many regionals—General Brewing (generic beer), Pearl, Lucky Lager, Narragansett. Low-priced suds, lean operation. "Mr. Paul" prolific litigant. Bought Pabst 1985 for $63 million on third try; died 1987 worth $500 million. Lydia's 50% of estate, incl. land, shopping centers, worth $250 million.

Daniel Crow Searle
William Louis Searle
Suzanne Searle Dixon

Brothers and sister. Inheritance. Great-grandchildren of Gideon Searle, who bought Indiana drugstore after Civil War, founded one of nation's first drugstore chains. Began making drugs as G.D. Searle 1888. Grandson John responsible for remarkable profitability 1936-1966: introduced Dramamine, first oral contraceptive, etc. Son Daniel: Winnetka, Ill. 61. Married; 2 sons, 1 daughter. CEO 1966-77. Disastrous record of acquisitions; image tarnished by FDA probe. Best move: hired former Defense Secretary Donald Rumsfeld to pick up pieces. That and discovery of aspartame saved company. Sold out to Monsanto 1985. Son William: Lake Forest, Ill. 59. Married, 3 children. Former vice chairman. Daughter Suzanne: Lake Forest. 56. Married, 3 children. All three active in investment of funds (substantial portion in venture capital) as Earl Kinship Capital Corp. "We follow prudent rules any investor would, but individually and collectively we are willing to take higher risks because of sources available." Share in trusts, proceeds of sale, other assets worth over $750 million.

Jack Monteith Berry

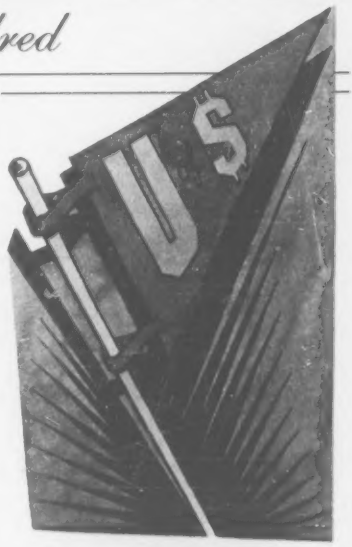
Citrus. Winter Haven, Fla. and Blowing Rock, N.C. 70. Married; 1 son, 2 daughters. Left Tenn. to find fortune in NYC 1939; took public-speaking courses to lose accent. Successful fruit broker, earning $75,000 a year by 1943: "By the time I was 27 years old, I felt I owned the city." Post-WWII supermarkets overtook corner groceries, bought direct from growers; Jack moved to Fla. 1960s, planted 6,000 acres of his own. Now: 18,000 acres productive orange groves, 16,000 acres ranchland; loves work: "Hurricanes, floods, freezes, disasters. I'd get out of the business if we didn't have them." With 2 box plants, 2 plastics plants, net worth believed to exceed $250 million.

Ben Hill Griffin Jr.

Citrus. Avon Park, Fla. 76. Divorced, remarried; 5 children, 1 stepchild. Born during 1910 hurricane; drove mules in father's orange groves at 8. Earned money in high school selling stray grapefruits; lost $1,000 on college gas station venture: "All I got out of it was a water bucket, a car jack and two or three wrenches." Start in fruit business was 1933 wedding gift: 10-acre grove; now over 10,000 citrus acres, 70,000 acres ranchland. Also 50%-owner cattle, citrus concern, Alico Inc. 5 terms state legislature, lost 1974 governor's race (wife was running mate). Net worth $250 million. "We're just running a little business out in the country."

Alpheus Lee Ellis

Banking, real estate. Tarpon Springs, Fla. 81. Married, 1 daughter. Got first banking job 1920 cleaning spittoons for $8 a week in father's bank. "We never had any money, so our only chance was to work in a bank and see someone else's." "Al" continued to clean up in banking: his Ellis Banking Corp. sold to NCNB Corp. 1983 for $104 million in stock, now worth twice that. Also real estate in Tampa, Clearwater. NCNB director, has lifetime employment contract: His 10% stake in NCNB, real estate, other assets, worth over $250 million. Hates "junk mail" money requests Forbes Four Hundred listing attracts: "Anybody who reads FORBES doesn't need to be asking for money."



Among graduates of these colleges and universities on The Forbes Four Hundred, average estimated net worths were:
Stanford $725 million
Columbia $635 million
Yale $620 million
Princeton $600 million
M.I.T. $510 million
Harvard $400 million

Stewart Bainum Jr.

Manor Care, Inc. Silver Spring, Md. 68. Married, 4 children. Dropped out college freshman year; worked as plumbing contractor. Moved into construction during 1950s D.C. real estate boom; partnered with brother Robert in nursing homes. Founded Quality Inns motel chain 1966; merged companies 1980. Manor Care, Inc. now owns 139 nursing homes in 23 states (most for affluent elderly); Quality Inns has 805 franchisees. Son Stewart Jr., 40, ex-state senator, lost race for U.S. House 1986; succeeded father as chairman 1987: "a logical progression in light of the election results." Sr. holds stock, real estate worth $250 million.

Francesco Galesi

Real estate. NYC. 56. Divorced, remarried; 3 children. Son of Italian immigrant real estate broker. After

Princeton, built shopping centers with family. On own 1968, bought 6-million-sq.-ft. army depot near Albany, N.Y. for $4 million, converted to industrial-distribution complex; with added space, now worth more than $100 million. Also offices, Long Island, N.Y. beachfront acreage, Jamaican sugarcane plantation, Vermont colonial resort. Telecommunications ventures USCI (satellites), Argo (long distance) both went Chapter 11: "It's very disappointing. I've never lost money before." Trying again with Long Distance America Inc. Worth at least $250 million.

Joseph Morton Davidowitz (a.k.a. Morton Davis)

Stock market, investment banking. Lawrence, N.Y. 58. Married, 4 daughters, 1 in business. Son of Kosher food distributor, sold vacuums door-to-door. Attended Brooklyn College at night 7 years; graduated Harvard business school with honors. Named partner old-line wirehouse D.H. Blair after joining 1961; sole owner 1973 (equity capital now $53 million). Dominates junk stock underwriting, uses high-pressure tactics to sell flimsy new issues. "I back the jockeys, the younger guys with the exciting ideas. We have no competition." Invests own money or waives fees for stock, warrants in most promising deals. D.H. Blair, plus large portfolio, worth over $250 million.

Robert Boisseau Pamplin

Textiles. Portland, Ore. 75. Married, 1 son. Raised penniless; mother made his clothes from sugar sacks. Rose to CEO of Georgia-Pacific. On day of mandatory retirement 1976 bought tiny Ross Island Sand & Gravel—base for today's $425 million (sales) R.B. Pamplin Co., with 19 textile mills: "It's not that we were interested in textiles, but they were more undervalued than anything else." Son Robert Jr. author of seven books; eight degrees (Ph.D.s: theology, business); gives sermons cross-country. Fortune, already much in son's name, worth over $250 million. "It's just a lot of fun and the good Lord has been very rewarding to us."

Under $250 Million

Daniel James Terra

Lawter International, art. Chicago, Washington, D.C. 76. Twice married, one son by first wife. Son of Italian immigrant lithographer. Switched to engineering after losing college dance audition to Gene Kelly: "All I had to do was see him take the first three steps." At 28, borrowed $2,500, set up Lawter (specialty chemicals). Consultant advised 1955 to delegate authority. "The key to everything I've done is having good advisers and listening to them." Opened Chicago's Terra Museum of American Art 1987 to house $100 million collection. Raised $21 million for Ronald Reagan in 1980; appointed ambassador-at-large for cultural affairs 1981. Fortune is estimated at more than $245 million.

Edmund Wattis Littlefield

Utah International. Burlingame, Calif. 73. Married, 3 children. Grandson of E.O. Wattis *(see family)*, who cofounded UI. At 14, was waterboy for firm's construction crews in Ogden. At 37, became senior manager on condition he not have to hire founders' relatives. Steered UI out of construction, into coal and copper mining, setting long-term contracts with U.S. steelmakers and Japan. As director of General Electric, orchestrated GE's 1976 purchase of UI (resold 1984 to Broken Hill Proprietary). Wattis family's GE stake has more than tripled since to $1 billion. "The timing was right, shall we say." Ed's 1.7 million shares plus other investments worth minimum of $245 million.

Lawrence J. Ellison

Oracle Corp. Atherton, Calif. 43. Divorced, 2 children. U. of Chicago; M.S., physics. Authored database management program (DBM) at Ampex 1973-75. Founded Oracle on $1,200, 1977. Looked for venture capital, no luck: "I used to read old copies of FORBES in the anteroom. I knew I wasn't welcome when they checked to see if I took the magazine with me on the way out." Started consulting, followed key DBM work at IBM. From published IBM paper, beat leviathan to market by 2½ years. "We stood on the shoulders of giants." Now fastest-growing software co. "Hands-off" manager, plays basketball, active conservationist. Stake in Oracle worth $245 million. "People ask me what my three-year plan is. I say, 'What about a three-month plan?'"

Irénée du Pont Jr.

Irene Sophie du Pont May

Margaretta Lammot du Pont Greenewalt

Constance Simons du Pont Darden

Eleanor Francis du Pont Rust

Mariana du Pont Silliman

Octavia Mary du Pont Bredin

Lucile Evelina du Pont Flint

Brother and sisters. Inheritance. Children of Irénée Sr. (d. 1963), president Du Pont Co. 1919-26 *(see other du Ponts, family)*. Irénée Jr.: Montchanin, Del. 67. Married, 5 children. With Du Pont Co. 32 years, retired as senior vp 1978. Still on board, also boards of Wilmington Trust, Longwood Foundation. Oversaw merger Christiana Securities with Du Pont in 1977, which effectively ended traditional family control of companies. Still a family leader. Irene Sophie (Mrs. Ernest May): Wilmington, Del. 86. Widowed, 4 children. Margaretta

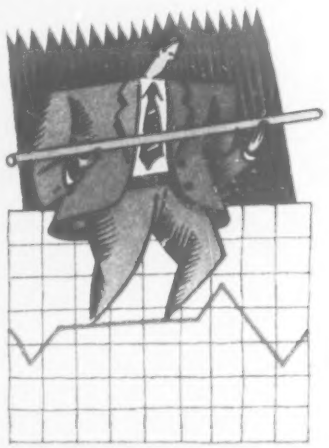
Lammot (Mrs. Crawford H. Greenewalt): Greenville, Del. 85. Married, 3 children. Husband president Du Pont 1948-62. Constance Simons (Mrs. Colgate W. Darden Jr.): Norfolk, Va. 83. Widowed, 3 children. Husband (d. 1981) governor of Virginia 1942-46. Eleanor Francis (Mrs. Philip Gordon Rust): Thomasville, Ga. 80. Married, 4 children. Mariana (Mrs. Henry Harper Silliman): Hagley, Montchanin, Del. 76. Married, 6 children. Octavia Mary (Mrs. John Bruce Bredin): Greenville. 74. Married, 6 children. Lucile Evelina (Mrs. Robert Baronet Flint): Greenville. 72. Married, 5 children. These eight siblings share in fortune estimated at $1.92 billion.

Jack N. Mandel

Joseph C. Mandel

Morton Leon Mandel

Brothers. Premier Industrial Corp. Jack: Shaker Heights, Ohio. 76. Married, childless. Joseph: Lyndhurst, Ohio. 73. Married, 2 daughters. Morton: Shaker Heights. 66. Married; 2 daughters, 1 son. Three brothers ponied up $900 to buy uncle's auto-parts shop 1940. Found slump-resistant niche supplying nuts, bolts, obscure auto/electronic parts to low-volume, high-paying customers. Mort steered through acquisitions, public offering 1960. Jack, Joe handled marketing, sales. Publish comprehensive 900-page catalog of electric components, maintenance products, firefighting equipment; inventory 100,000 types of parts. Premier (revenues $435 million) ships most orders same day; Mort, chairman: "Service is a fetish with us." Jack and Joe directors. Civic-minded, charitable. Each brother's Premier stock, other investments worth at least $240 million.



Every change of 1 point in the price of Wal-Mart stock increases or decreases the fortune of Sam Walton and his children by $218 million.

Johnnie Bryan Hunt

J.B. Hunt Transport Services, Inc. Springdale, Ark. 60. Married, 2 children. Sharecropper's son quit 8th grade to support family; worked in uncle's sawmill, later as truck driver. Hit big time 1962 in poultry litter (ground cover for fowl) using discarded rice hulls; became world's largest producer poultry litter. Got into trucks as sideline 1969, boomed with deregulation: led trend of company-owned, -operated rigs. Sold poultry business 1983; J.B. Hunt Transport now 2,400 tractors, 4,700 trailers, over $200 million sales. "J.B." rides horses, wears gold dollar-sign cuff links; wife Johnelle works at co. His 46% stock worth $240 million. Fondly recalls poultry litter days: "That's the biggest thing we ever did—bigger than the truck lines."

Dorothy (Dolly) Green

Inheritance. Beverly Hills. Late 70s. Divorced, no children. Daughter of Burton E. Green (d. 1965), promoter, Beverly Hills founder, developer. Bought unwanted oil-bearing ground, cofounded Belridge Oil 1911; president 1925-65. Company bought 1979 by Shell Oil for $3.6 billion *(see also Buck, Whittier)*. Three daughters shared stake worth $700 million; Liliore d. 1985; Burton d. 1986. Horse lover Dolly made first appearance at horse auction 1980, dropped $2.2 million on 5 yearlings. "I do love my horses, and I think the personal attention I give them is helpful." Net worth from Belridge sale estimated at $240 million.

Allen Eugene Paulson

Gulfstream Aerospace Corp. Savannah, Ga. 65. Twice divorced, 3 sons. Iowa farmboy supported self at 13; to SF on jackpot money where took first flight with barnstormer. TWA mechanic at 19 for 30 cents/hour. With flair for engine design, formed own aircraft conversion co. 1951, built up spectacularly. Bought corporate jetmaker Gulfstream Aerospace 1978 for $52 million; shaped up, took public 1983, sold out to Chrysler Corp. 1985; netted over $350 million. Still Gulfstream chairman and chief executive; also Chrysler director. Invested $50 million in ailing Wheeling-Pittsburgh Steel Corp. After failing to revive, sold stake 1986 for $100,000: "An $11 million tax break." Heavy investments in horses (over 400) hurt by market slump. Also over 10,000 acres ranches and farms in Georgia, South Carolina, Kentucky, California. Net worth estimated at least $240 million.

Sy Syms

Syms Corp. Lyndhurst, N.J. 61. Married; 3 sons, 3 daughters. Brief broadcasting stint after college; joined family clothing store 1952. Left for own shop featuring discount designer fashions (manufacturers' overruns bought cheap), 1959. Legally changed name to Syms from Sy Merns. Daughter Marcy, president, named after Arrow shirt collar style worn by Herbert Hoover. Currently operates 21 stores in 10 states, most in mid-Atlantic region. Famous come-on slogan: "An educated consumer is our best customer." Purchased ritzy A. Sulka haberdasheries 1980. Went public 1983. With cash from offering over 80% of stock, worth more than $240 million.

Bennett Stephen LeBow

Buyouts. Essex Co., N.J. 49. Married, 2 daughters. After Pentagon stint, founded DSI Systems com-

puter concern 1967. Expanded too fast, almost went under, revived. Became turnaround artist 1970s. Bought jewelry maker Sarah Coventry, Saxon Industries division. Hit big time buying cast-off computer unit from Asher Edelman for $101 million 1985. Went public 1986, his shares now worth $135 million. Bought Liggett & Myers Tobacco for $137 million 1986; now going public. Heading Western Union buyout, will pay $25 million for 53% stake. Yachtsman, scuba diver. Worth at least $235 million. A backer: "He sees gold where others see no value."

Dwayne Orville Andreas

Archer-Daniels-Midland Co. Bal Harbour, Fla. et al. 69. Divorced, remarried; 3 children. Mennonite farmer Reuben Andreas moved to Iowa; with sons, set up soybean processor Honeymead Products 1936. Son Dwayne, college dropout, sold some assets to Cargill 1945 anticipating draft; wasn't called up, joined Cargill 1946. With brother Lowell, invited into ADM in $3.3 million deal 1965; chmn. 1971. ADM now $5 billion multinational commodities giant. Dwayne (5 foot 4, 140 lbs.) the "Soybean King"; keeps good company: Gorbachev, Reagan, the Pope. "At heart, I'm just a Mennonite farm boy." ADM stock, with son, worth $230 million.

Chapman Shaw Root

Coca-Cola bottler, broadcasting. Ormond Beach, Fla. 62. Married; 5 sons, 1 daughter. Grandfather Chapman Jay Root (d. 1945) started Root Glass Co. 1901 in Terre Haute, Ind., made fruit jars; "created the most perfectly designed package in the entire world" 1915: Coke bottle. Formed Associated Coca-Cola Bottling Plants Inc. as holding company 1939; Root Co. had 58% interest. Son William died 1932 plane crash; grandson Chapman became president 1950 at 25. Bottling operation sold to Coca-Cola 1982 for $417 million (his share $240 million). Still owns 4 radio stations, 1 TV station, Daytona Hilton, etc. Proceeds from sale, other assets, worth $230 million.

4 members of The Forbes Four Hundred are known to be survivors of Nazi concentration camps:
Abraham Spiegel
Laszlo Tauber
David Chase
Jack Tramiel

Patrick George Ryan

Insurance. Chicago. 50. Married, 3 sons. Son of Milwaukee Ford dealer, sold insurance for five years with Penn Mutual. Opened own business selling auto insurance through car dealers for a percentage. Ryan Insurance Group soon expanded and grew to over $560 million in assets. Merged with W. Clement Stone's Combined International 1982; Pat became CEO. Acquired 11.1% of Combined stock (now 12.5%); made acquisitions, renovated company: renamed AON Corp. (Gaelic for "unity") 1987. "I haven't met a successful person who doesn't have a positive approach to life." Family man. Ryan's shares are worth $230 million.

Austin Owen Furst Jr.

Vestron, Inc. New Canaan, Conn. 44. Married, 3 children. Delivered *TV Guide* in elementary school. Time Inc./HBO veteran left to form videocassette firm 1981; took along home video rights to Time-Life Films library. Capitalized on home video; 3 top-ten *Billboard* hits in first year. Problems since: Major studios now distribute their own movies. "Austin should have sold the company two years ago." Hurt by saturated market, competition; embroiled in court over rights to distribute *Platoon, Hoosiers*. Formed Vestron Pictures 1986 to produce, distribute own movies. His Vestron shares, stock sales, other assets worth $230 million. "It hasn't been a lot of fun."

Richard Edward Rainwater

Investments. Fort Worth and Nantucket. 43. Married, 3 children. Raised in middle-class Fort Worth by part-Lebanese, part-Cherokee wholesaler. Hot-rodder, math whiz. After stint at Goldman, Sachs, hired by Stanford business schoolmate Sid Bass *(which see, also Robert, Edward)* to diversify family oil fortune. Proved dealmaking genius: wide-ranging investments (Texaco, Disney, etc.) helped swell Bass brothers' net worth from less than $100 million to nearly $4 billion. Left 1986 for own deals, incl. Blocker Energy, Wolverine Exploration. Also interest in nearly 50 investment partnerships (some with Basses). "He just loves to make people rich." Including self: net worth at least $225 million.

John David Lusk

Real estate. Newport Beach, Calif. 79. Married, 2 sons, 1 daughter. Was bank v.p. lending to builders. Quit after 21 years to become homebuilder 1946; hit postwar housing boom. Developed much of Whittier, Calif. (Nixon lived in a Lusk house). Diversified with commercial, industrial projects since 1953. Lusk Co. has built over 35,000 homes. Building over $2 billion in industrial parks. Conservative, long-range planner; "tremendous" landholdings. Son William, 58, is vice chairman. Net worth should well exceed $225 million. "It's easy to build a large home. It takes expertise to make a small one livable."

Timothy Mellon

Catherine Mellon Conover

Siblings. Inheritance. Grandchildren of financier, empire-builder Andrew Mellon (d. 1937), children of Paul *(which see)*. Tim: Manchester, N.H. area. 45. Divorced, remarried; 1 stepdaughter. Started computer programming firm 1969, after Yale degree in city planning. Founded, with partner, company to pressure-treat railroad ties 1977. Acquired Guilford Transportation for $50 million: 4,700-mile track composed of old New England railroads. Added 1,000 miles unwanted Norfolk & Southern track after unsuccessful bid for Conrail. Cathy: Washington, D.C. 51. Twice divorced; 3 children by first husband John Warner (later became Senator; Mr. Elizabeth Taylor). Divorce settlement: He got $9 million, two houses. Cathy antiwar activist, active supporter environmental issues. Each received $100 million trust from grandfather; father Paul says they have enough, will get no more from him. No problem: Conservatively invested, each should be worth $225 million.

Raymond L. Danner

Shoney's. Nashville. 62. Divorced, remarried; 2 sons (1 deceased), 2 daughters. Immigrant father, German paperhanger, died, leaving Raymond to help support family with paper route. After numerous ventures, opened first Shoney's coffee shop in Madison, Tenn. 1959. Known for "Danner drive": painstaking attention to detail (personally washed dishes, restrooms, still inspects establishments). Acquired franchisor, paid $13 million to get out of Big Boy contract 1984. Also, Lee's Famous Recipe and Captain D's seafood. Currently owns or franchises 1,438 restaurants, primarily in Southeast. Stock plus other investments valued at least $225 million.

Bernard Gerald Cantor

Securities brokerage. Beverly Hills and NYC. 70. Divorced, remarried; 1 son. As a boy, "Bernie" sold hot dogs in Yankee Stadium. Founded, built, owns 72% of Cantor, Fitzgerald Inc., broker's broker in government, corporate, municipal paper; dealer in short-term instruments. Daily volume is $18 billion. Infomaniac, arranger of deals. Telerate stake sold 1981 for $80 million worth over $1 billion today. No regrets: "Once you make a sale, you never look back." Passionate art collector, renowned donor of Rodin sculptures. "I want the pleasure of seeing people enjoy my art while I'm still alive." Net worth estimated at $225 million.

Oliver Taylor Carr Jr.

Real estate. Washington, D.C. 62. Married, 6 children. Born blind in one eye; 4th generation local real estate family. After WWII, built houses in Montgomery County, Va.; moved downtown 1962. Began aggressively building in neighborhoods hit by 1968 riots: "People who deserted the city were nuts. It was a bad moral decision. It was a bad business decision." Built over 8 million sq. ft. very prime offices—"the Tiffany of local developers." Tore down historic Rhodes Tavern; painstakingly restored famed Willard Hotel. Influential in local business circles; heading effort to bring baseball back to D.C. Many projects with Equitable; his equity exceeds $225 million.

John Livingston Weinberg

Goldman, Sachs & Co. NYC. 62. Married; 1 son, 1 daughter. Father Sidney ("Mr. Wall Street") started as porter, ran Goldman, Sachs over four decades, advised U.S. presidents. Former Marine captain John graduated from Harvard Business, joined Goldman 1950, made partner 1956. Disciplined, low-profile team player; avoids ostentation. Named co-head 1976, chairman 1984. Pushing firm (assets $2.4 billion) into global markets assisted by older brother "Jimmy," shuns hostile takeover work. Staunchly backed Goldman partner recently charged with insider trading. Sits on many corporate boards. His reported 4% to 5% interest, investments believed worth some $225 million (Jimmy has another 2%).

William Lyon

Real estate. Newport Beach, Calif. 64. Widowed, remarried; 5 children. LA native, took flying lessons at 16. Commercial pilot, also WWII, Korea: 17 combat decorations. Began building homes Orange County 1950s, sold co. 1968; opened successor 1972: William Lyon Co. now a leading area homebuilder ($425 million revenues). Chief of U.S. Air Force Reserve 1975-79; still "the General" to friends. With George Argyros *(see Near Misses)* bought failing AirCal 1981; turned around, sold to American 1986. Big classic car collector: recently bought 82 cars from Harrah's for $29 million. Commands fortune exceeding $225 million.

John Quentin Hammons

Holiday Inns. Springfield, Mo. 64. Married. Taught school, worked on Alaskan highway; after WWII, concrete venture failed, leaving him deep in debt. Recouped by building homes, shopping centers. Got into Holiday Inn franchises with partner Roy Winegardner 1959. Built 31 hotels, sold to Holiday Inns for stock 1970 (Roy later became HI chairman). Continued to build on own. Now owns 36 hotels, manages 16,000 rooms, one of biggest HI operators. Also, much hometown development, philanthropy: founded heart institute. Operates Burger Station chain. Net worth exceeds $225 million. "If you do business in the 1980s like you did in the 1970s, you won't be around in the 1990s."

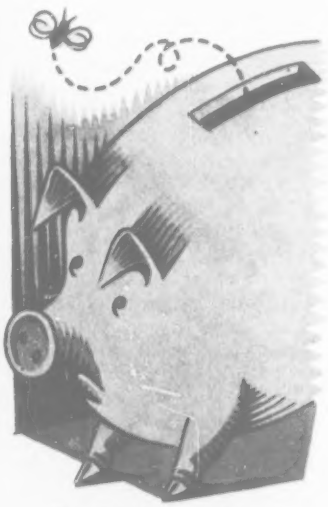
Amos Barr Hostetter Jr.

Continental Cablevision, Inc. Boston. 50. Married, 1 daughter. Stockbroker's son raised Short Hills, N.J. Harvard M.B.A., stint in utility finance, venture capital. "Bud" started Continental 1963 with frat brother, H. Irving Grousbeck; each put up $4,000 (as did Bud's father). Acquired franchises one by one, also built systems from scratch. Bought McClatchy *(see family)* cable properties 1986. Now third-largest cable operator in the country; also cellular radio holdings. Owners of closely held stock include Dow

Jones (17%). Grousbeck went into teaching 1981, still holds 10%. Bud's 28% share (with sister) worth more than $225 million. "I wish you would just forget you ever heard about me."

Leonard Litwin

Real estate. NYC. Early 70s. Married, 2 daughters. Started in landscaping business with father on Long Island (nurseries are now valuable real estate). Branched into apartments with pioneering high rises on Manhattan's York Ave. Now owns at least 3,800 prime rental units, refuses to co-op: "Everybody who has a job in New York can't spend $500,000 on a co-op." Colleague: "He operates like an old-fashioned real estate man." Continues to build on Upper East Side; also invested in numerous Manhattan offices. "One of these days I'm going to make it. My friends will call up and say, 'Lenny, you done good.' " He's done good enough: fortune estimated to be at least $225 million.



To date, 11 present or former members of The Forbes Four Hundred, or their principal businesses, have filed under Chapter 11 of the Federal Bankruptcy Act.

W. Duncan MacMillan
John Hugh MacMillan III
Marion MacMillan Pictet

Inheritance. Brothers, sister. Children of John MacMillan Jr., who was in charge of family grain-trading company Cargill, Inc. from 1936 until his death in 1960. John Sr. became president on death of father-in-law William W. Cargill 1909, after successful struggle with William's son. Duncan: Wayzata, Minn. 57. Married, 4 children. Cargill director, vice chairman of Waycrosse, Inc., family's private investment firm. Hugh: Hillsboro Beach, Fla. 59. At least 3 marriages (1 ex-wife was family baby-sitter); 8 children and 1 expected. None of his children are active in the company. Marnie (Mrs. Pictet): Geneva, Switzerland. 54. Divorced, remarried; 2 children. Spends most of time out of U.S. Share their branch's 25% of Cargill stock, worth at least $675 million. *(See Cargill/MacMillan family, also other Cargills, MacMillans, Keinath.)*

Whitney MacMillan
Cargill MacMillan Jr.
Pauline MacMillan Keinath

Inheritance. Brothers and sister. Grandchildren of John MacMillan Sr., president of Cargill first third of this century. Whitney: Minneapolis. 58. Married, 2 children. Graduated Yale 1951, joined firm as vegetable oil merchant. Chairman 1977. Led grain-trading company into value-added products, oil, meatpacking; now business thriving in farm-markets slump. Made his first nonbusiness public appearance introducing humorist Garrison Keillor at World Theater (Minneapolis) 1986; sponsored Keillor's career early on. Cargill: Minneapolis. 60. Married, 4 children. Senior v.p. Cargill 1973. Has served on committee of Minneapolis Society of Fine Arts; buys occasional works. Pauline: 53. Married. Not active in company. Share their family branch's 25% Cargill stock, worth at least $675 million.

Three members of The Forbes Four Hundred were original investors in Teledyne and still hold stock in that company: Arthur Rock, Fayez Sarofim and Henry Singleton.

Bettina Klink
Hugh Bancroft III
Christopher Bancroft
Kathryn Bancroft Kavadas

Inheritance. Grandchildren and great-grandchildren of Clarence Barron (d. 1928) of Dow Jones empire *(Wall Street Journal,* Dow Jones ticker, Ottaway Newspapers, *Barron's).* Clarence's adopted daughter Jane married Harvard lawyer Hugh Bancroft (d. 1933). Fortune split among 3 children: Jane Bancroft Cook *(which see),* Jessie Cox (d. 1982, *see W. Cox Jr., Jane MacElree*), Hugh Bancroft Jr. (d. 1953). Hugh's 4 children inherited his share. Bettina Klink: Los Angeles. 46. Divorced, remarried; 2 children. Currently a Dow Jones director. Hugh: Newport Beach, Calif. 38. Married, 1 child. Chris: Denton, Tex. 36. Married, 2 children. Runs real estate firm. Kathryn: Waban, Mass. 35. Married, 2 children. Active in the arts and philanthropy; lives in modest home. Trusts hold $900 million in Dow Jones stock.

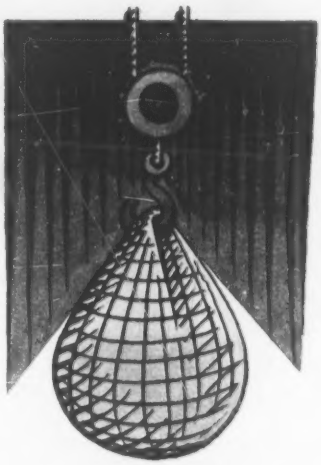
Herbert Herman Haft

Robert Michael Haft

Father and son. Dart Group (retailing, greenmail, real estate). Washington, D.C. Herbert: 67. Married (wife a Dart Group v.p.), 3 children. Started 1954 with neighborhood drugstore. Early pioneer discounting. Angry, full-price competitors sued, lost. Developed own shopping centers (family-owned Combined Properties) after failing to place discount stores in existing malls. Sold 77-store chain in 1984 to management group for $160 million. Profit for his nominally public Dart Group: $75 million. Dart owns 52.4% Crown Books, 66% Trak Auto. Also, vehicle for takeover attempts (Federated, May Dept. Stores, Safeway Stores, etc.): Target companies paid total $170 million buying back their stock. Latest bid: Dayton Hudson Corp. Herbert paid $1.7 million for Embassy Row (D.C.) home, razed to build more to his liking. Son Robert: 34. Married, 1 son. President Dart, CEO Crown Books. Quick study: at age 24 launched Crown (now 200 stores, books discounted, of course). Brother Ronald, 28, runs Combined Properties; sister Linda, 36, exec. v.p. Dart's financial arm. Family's combined fortune exceeds $675 million; Herbert, Robert worth at least $225 million each.

Clarence Scharbauer Jr.

Inheritance. Midland, Tex. 62. Married, 4 children. Father left New York City, settled in Midland 1889, built the hotel, ran the bank, became leading citizen. As a rancher bought thousands of acres to feed cattle; land happened to be on top of the Permian Basin, nation's richest oil province. First strike: 1935. Fellow Midlander, "The development of oil ruins a cattle ranch, but it's the nicest way to have a ranch ruined." Father-in-law's horse, Tomy Lee, won 1959 Kentucky Derby; Clarence Jr. owns 1987 Kentucky Derby and Preakness winner Alysheba. Net worth believed to exceed $225 million.



The total estimated net worth of The Forbes Four Hundred is $220 billion.

In comparison:
Assets of largest bank (Dai-Ichi Kangyo, Japan): $215 billion.

Retail sales of alcoholic beverages in U.S. 1983-86: $220 billion.

U.S. military expenditures in 1986: $278 billion.

U.S. budget deficit 1986: $205 billion.

Value of mergers and acquisitions in U.S. 1986: $173 billion.

Foreign investment in U.S.: $209 billion.

U.S. investment abroad: $206 billion.

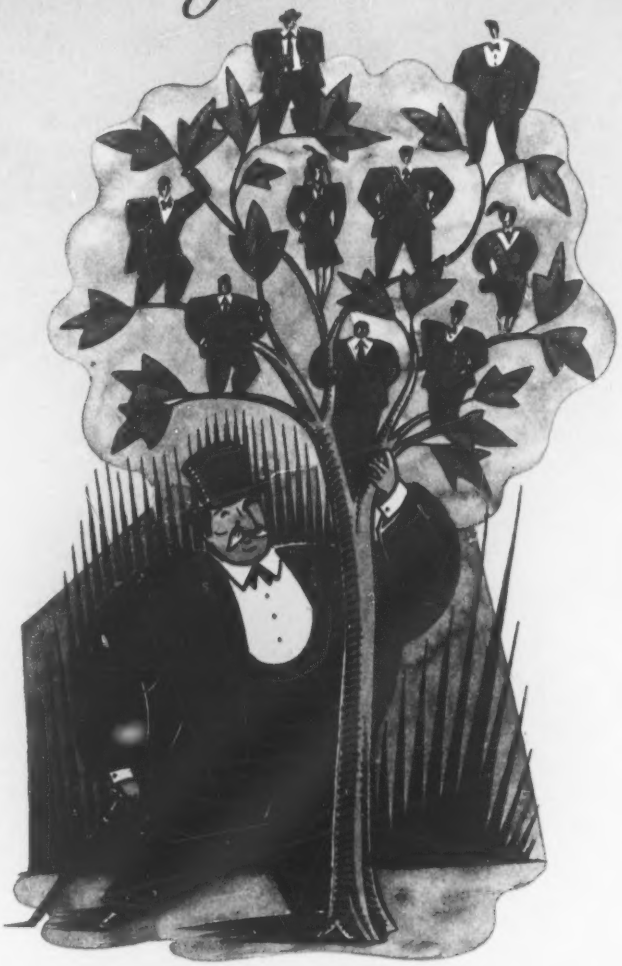
Steven Allen Spielberg

Movies. Beverly Hills, Calif. et al. 39. Married (to actress Amy Irving), 1 son. Raised Scottsdale, Ariz., self-described "wimp." Mischievous: He peanut-buttered his neighbor's windows. His mom: "His badness was so original there weren't even books to tell you what to do." Got his first camera at 12, filmed his toy trains crashing. Spent summer vacation hanging around Universal studios; started as contract director at age 20, shot TV shows. First big hit: *Jaws*, 1975. Director *Close Encounters, E.T., Raiders of the Lost Ark, Indiana Jones*; exec-producer *Gremlins, Back to the Future*, etc.: involved in five of ten alltime top-grossing films. Worth well over $225 million. "Yeah, I'm a mogul now. But when I grow up, I still want to be a director."

Arthur J. Rock

Venture capitalist. San Francisco. 61. Married, no children. Son of candy store owner, who recovered from polio. After Harvard Business was Wall Street stockpicker during late 1950s boom. Arranged financing for Fairchild Semiconductor, wellspring of Silicon Valley. Headed west 1961, just ahead of market dive. Founded venture capital partnership. Start-up investments: Scientific Data Systems, Teledyne *(see Henry Singleton)*, Intel *(see Gordon Moore)*, Apple Computer *(see Armas Markkula)*. "The first thing I find out, and it takes a long time, is whether the guy is honest." Stock in public firms and private investments believed worth far above $225 million.

Great Family Fortunes



Some major U.S. fortunes have already been so divided among heirs that no individual among them qualifies for The Forbes Four Hundred, yet the families either show enough cohesion or are widely enough thought of as families of great wealth to merit consideration as entities. Those examined in our research follow. The listing is extensive but not intended to be as complete as our listing of the richest individuals in America. Think of most as the significant echoes of persons who would have been members of The Forbes Four Hundred list if it had been compiled in earlier decades.

Family Fortunes

Annenberg sisters

NYC, Palm Beach. Five surviving daughters of Moses Annenberg, tough, resourceful owner of newspapers, other enterprises in Al Capone's Chicago. Moses moved to Philadelphia, built Triangle Publications *(Philadelphia Inquirer, Daily Racing Form)*, willed to children (d. 1942). Son Walter H. *(which see)* took over, launched phenomenal *TV Guide, Seventeen, Good Food.* Most distinguished sister, Enid (Mrs. Ira Haupt), 81, editor of *Seventeen* 1953-70, author of teen etiquette books. Janet (Mrs. James Hooker), 83, is on White House board for decorative arts. Others are Esther (Mrs. Leo Simon), 86; Lita (Mrs. Joseph Hazen), 78; Evelyn (Mrs. Melville Hall), 76. Sisters hold combined 11% stake in Triangle (also share in trust income). With real estate, other holdings worth over $385 million.

Barbey

Calif. et al. Heirs of John Barbey, who founded Reading Glove & Mitten Manufacturing Co. with 5 partners 1899. Bought out partners 1911, changed name to Vanity Fair Mills (first product: silk gloves). His son John "fanatic for quality," early fashion designer women's lingerie: "He just loved beautiful things." Vanity Fair synonymous with high fashion 1930s, 1940s; pioneered brand-name lingerie merchandising; first to show off lingerie at fashion shows on live models. Became VF Corp. 1970; now nation's largest publicly traded apparel co. (Lee, Wrangler, Jantzen, etc.). John died 1956, left stock in trust, handpicked outside management. No Barbeys now with company; grandson Kelly: "They're all just living it up." 16 family members share trust holding 19% VF Corp. stock worth $540 million.

Belk

Charlotte, N.C. Descendants of William Henry Belk, who opened general store with brother John in Monroe, N.C. 1888. Did not extend credit; acquired credit-granting competition at terrific discounts during Depression. Opened 125 stores 1929-40. Now about 25 family members share equity with local management of 350 stores throughout Southeast; arrangement provides incentives, responsiveness to local wants. Known for eccentricities and family feuds: William Henry Jr. ousted as chairman 1950s, tried to thwart brother John's mayoral bid 1969. Failed; John mayor until 1977, now chairs company. Family fortune thought to exceed $350 million. "Pure southern gothic."

Belz

Memphis. Three generations in real estate. Philip, 83, came to U.S. from Austria 1910. Partner with brother-in-law in dry-goods business. Banker friend, noting some extra land Belz had, suggested he let bank show him how to finance it with view to development. From that acre to real estate empire. Started in Memphis, over 750 tracts Memphis' Shelby County alone. Expansion into Nashville 1970s. Rarely sells, few joint ventures, little debt. Early developers industrial parks. Also motels (Holiday Inns), shopping centers, office buildings, apartments, farmland, off-price outlet malls across U.S. "Uncle Philip" to employees; others know him as "damn hard negotiator—but always keeps his word." Frustrated opera singer: friend Robert Merrill told him to forget it. Two sons killed plane crash 1963; third, Jack, 59, now runs firm with third generation. Jack's son, Marty, expected to fill shoes. Fortune believed to exceed $300 million.

Block

Toledo, Pittsburgh. Father Paul Sr. assembled newspaper chain starting 1915; forced to sell most of it during Depression. Sons, both Yale grads, stepped into business after father's death 1941. Paul Jr. was research chemist and teacher while running *Toledo Blade* (d. 1987); 2 of 3 sons remain in business. William: 72. Married; 2 sons, 2 daughters. Started out at *Blade*; took helm at *Pittsburgh Post-Gazette* 1946, supervises editorial policy. Brothers built Blade Communications (revenues $189 million) currently 3 dailies, 4 small TV stations, cable (128,000 subscribers); jointly owned by their families. Combined net worth at least $425 million.

Brown

Louisville. Descendants of George Garvin Brown. Distilled Old Forester whiskey with cousin 1870. Company became Brown-Forman 1890. Produces Jack Daniel's, Bolla and Cella Italian wines, Korbel, brandy and champagne; Southern Comfort from 1979, Lenox China 1983 (initiating poison-pill defense); California Cooler 1985. W.L. Lyons Brown CEO since 1982. Owsley Brown II president. "Planned nepotism" company policy with one requirement: family member must hold at least 2 degrees before joining company. "We husband our resources carefully." Family stake in company valued at $630 million.

Bullitt

Broadcasting. Seattle. Pioneer Charles D. Stimson amassed Seattle-area real estate, timberland early 1900s (d. 1929). Daughter Dorothy stepped in to manage properties on death of husband A. Scott Bullitt, top state Democrat, 1932. Bought Seattle radio station out of boredom 1947, region's first TV station 1948: "There were only 6,000 TV sets in the Northwest." Dorothy, 95, ailing *(see Dropouts)*; daughters Priscilla (Patsy) Collins, 66, Harriet S. Bullitt, 62, help run King Broadcasting: now 5 TV stations, 6 radio, cable. Patsy: "Someone decides they want to buy us almost every week. Those letters go right into the wastebasket." Son Stimson, 67, lawyer, runs local real estate company but has no share in family's 77% King Broadcasting. Including real estate, family worth at least $380 million.

Cabot

Boston area. Descendants of shipbuilder John Cabot, who moved to Mass. from isle of Jersey 1700. Family involved in privateering during American Revolution; amassed

wealth through European, West Indian trade ventures, marriage. Godfrey Cabot (nicknamed "Uncle God" for imperious demeanor) founded Cabot Corp. 1882; now world's leading producer of carbon black. Profits, revenues sagging because of depressed energy/oil market. Three first cousins now on board: Louis Wellington Cabot, 66, retired as chairman 1986; John M. Bradley, 64; John G.L. Cabot, 52, senior vice president. Distinguished family: Henry Cabot Lodge, former senator, U.N. ambassador; Walter Cabot (manages Harvard endowment fund). Over 100 family members including sea captains, merchants, doctors, lawyers, journalists, etc: "We're basically a very bourgeois family." Family shares 35% Cabot Corp. stock, other assets, worth $450 million.

Campbell

Hawaii et al. Free-spirited teenager James Campbell left Ireland as stowaway aboard schooner 1839. Arrived NYC to work for brother. Survived shipwreck, cannibal attack on voyage to Hawaii 1850. Set up sugar plantation, pioneered artesian well. Hoarded land others considered worthless; soon dubbed "Kimo Ona-Milliona" (James the millionaire) by islanders. Estate today owns 80,000 acres in Hawaii (incl. 13% of Oahu), also office buildings, shopping centers on mainland. Some 14 heirs share income. Last surviving daughter, Beatrice Campbell Wrigley, died 1987; thus trust dissolves in 2007. Over 35 relatives expected to share in distribution of estate which, because of advancing development, new valuation by managers, is now worth at least $600 million.

Cargill

MacMillan

Origin: Minneapolis. Founder William W. Cargill, son of Scottish sea captain. Born Long Island, moved west, set up Cargill, Inc. 1865, quickly overtook grain-trade competition. Neighbor John Hugh MacMillan married Cargill's daughter 1895, became company president when William died in 1909. MacMillans more active in what is now largest private company in U.S., one of world's largest grain traders (1986 revenues, around $35 billion). Third-largest boxed beef processor; steel mills. Company pushing for revamp of govt. farm policy: increase grain exports; keep prices up amid world oversupply. Cargill and MacMillan families own 85% company: 3 main branches hold 75% worth a shade under $2 billion, while other branches have 10% *(see individual Cargills, MacMillans, Keinath, Pictet)*.

Carver

Muscatine, Iowa. Widow and descendants of Roy James (d. 1981), who discovered innovative tire retreading process while on business trip to Germany. "Cold bonding" method of attaching tread to tire casing battle-tested by Nazi General Erwin Rommel in African desert; Roy acquired rights, formed Bandag 1957. Quadrilingual Roy trotted globe in private plane seeking dealers, labeled "Rube Goldberg of tire industry." Bandag now leading manufacturer of tread rubber, retread products (1986 sales, $370 million). Also Iowa-based Carver Pump Co. Sons Martin, 39, Bandag CEO; Roy Jr., 43, heads Carver Pump. With mother Lucille, 69, family controls Bandag stock in trusts worth $300 million (though certain probate claims pending, incl. Roy Sr.'s mistress). Family remains low profile: "Let's say we're not actively seeking publicity."

Chandler

Los Angeles et al. Times Mirror Co. Flagship paper, *Los Angeles Times*, founded 1884 by Harrison Gray Otis (d. 1917). Publisher Harry Chandler (d. 1944) worked his way from clerk to chairman; helped Otis defeat rival paper 1880s. Married Otis' daughter, built real estate/media empire. Ambitious grandson Otis recently departed as editor-in-chief, leaving co. in hands of professional managers. Explanation given: "People want to stay on the same lane in the freeway, in the same safe cocoon. I don't." Currently works with disadvantaged children, other interests. Co. owns 9 newspapers, including *Newsday* and the *Baltimore Sun*, 10 magazines. Sold *Denver Post* 1987 for $95 million. In addition to Ruth Chandler Von Platen *(which see)*, nearly 100 descendants share in trust worth over $2.1 billion.

Close

Fort Mill, S.C. Col. Leroy Springs founded 250-loom Lancaster Cotton Mill 1895, took over Fort Mill Mfg. Co.; second wife Lena first woman nominated for U.S. vice president, 1924. Son Elliott White Springs inherited 5 cotton mills from father 1931. Masterminded famed ad campaign: "A buck well spent on a Springmaid sheet" (caption below one ad: "I tested 60 models")—wowed them in 1950s. Died 1959; son-in-law H.W. Close took over, d. 1983; Springs Industries one of nation's largest manufacturers sheets, pillowcases, etc. (1986 sales, $1.5 billion). Mrs. Crandall Close Bowles, 39, sole family director: "When I first went on the board, there were two of us—my Dad and me—and the feeling was 'two is enough.' Now there is just me, and the feeling is 'one is enough.'" Nine Close relatives share 57% Springs Industries stock, 100%-owned Springs Co. (insurance, railroad, real estate) worth estimated $360 million.

Cohen

NYC area. Brothers Sherman and Edward quit William & Mary for men's clothing business in hometown Newport News, Va. With optometrist brother Mortimer opened Yonkers, N.Y. Oldsmobile agency 1949 before launching construction company 1954. Built, sold apartment buildings; switched to Manhattan offices 1970. Known as highly litigious, difficult: "The Cohens are the ultimate example of business as war." Sherman: "What do you expect us to be, Boy Scouts?" Currently building office tower around holdout tenant. Silver-haired Sherman, 64, is dominant brother, dealster; Edward, 69, construction chief, is known in industry as "Shut-up Eddy" for Sherman's manner of addressing him. Mort died 1976; his widow Estelle

retains one-third interest in most properties. Family's real estate and other investments worth at least $450 million; Sherman claims much more: "That's so out of line it's ridiculous."

Coors

Golden, Colo. Descendants of Adolph Coors, German immigrant who founded beer co. with small brewery 1873; now fifth largest in U.S.; 8% market share (also large industrial ceramics producer). Single brewery (nation's largest) ensures beer conformity, high transportation costs. Grandsons William, Joseph, great-grandsons Peter, Jeff now run co. Headaches in recent years: Chairman Bill accused of racial slur for 1984 comment that blacks lack the "intellectual capacity to succeed"; Bill claims a "gross misquote." Vice chairman Joseph got attention with support of right-wing causes (recently gave $65,000 to Ollie North for contra supply plane). Company answered boycotts, protests with minority initiatives, ad campaigns; settled labor-backed consumer boycott 1987 with agreement to unionize brewery. Pete Coors: "You don't just flip the switch and see change occur. This is a long-range project." Through trust, family controls all voting stock, 70% nonvoting stock worth $660 million.

Cowles (Gardner)

Des Moines, Minneapolis, NYC area et al. Descendants of Gardner Cowles Sr., who invested $110,000 in feeble *Des Moines Register* 1903, added evening *Tribune*, turned into respected monopoly (d. 1946). Son John Sr. (d. 1983) had same knack with *Minneapolis Star*, bought 1935; son Gardner (Mike) Jr. (d. 1985) built *Look* magazine. Also bought radio stations 1930s with *Register* profits. Unity and profitability declined in third generation. John Jr., 58, lost top spot 1983 to cousin David Kruidenier, 66, who dismantled empire: Sold Cowles Broadcasting 1984 to Oveta Culp Hobby *(which see)*, several papers incl. flagship *Register* to Gannett 1985. Kruidenier chairs thinly traded Cowles Media Co., now 4 dailies, 11 weeklies, special-interest magazines. Family's 60% stake plus liquidation proceeds, shared by over 70 members, worth at least $730 million.

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Family Fortunes

Cowles (William)

Spokane. Descendants of William Hutchinson Cowles (distant relative of Gardner Cowles, *which see*), "police reporter" with Yale law degree, moved west 1891, bought into Spokane *Spokesman-Review*, gained control 1894. Also purchased timberland, started Inland Empire Paper Co. Bought rival *Chronicle* 1897. William Jr. added radio 1946, TV 1952. Now grandsons: James, 53, manages real estate, incl. office buildings, tracts in Spokane Valley; his brother William III, 55, manages papers. Control, expertise challenged in 1986 suit by their cousin Phoebe: "It's difficult to get them out of the 19th century." Dispute settled with stock buyback plan, shattered extreme privacy of family long considered among Washington state's most powerful. Banker friend: "They don't want the community to feel they're running things." Also large stake Tribune Co., selling gradually. Eight descendants share Cowles Publishing Co. fortune, much in trusts, worth at least $410 million.

Cullen

Houston. Descendants of Hugh Roy Cullen, grade school dropout and legendary wildcatter; was 40 before he made his first strike. Hit famed Tom O'Conner field in early 1930s: 720 million bbl. so far. Founded Quintana Petroleum 1932. Only son killed in 1936 oilfield accident. Hugh Roy got grandson a chauffeur-driven paper route. On death in 1957, Cullen gave away personal fortune of $200 million. Three daughters and their husbands still have immense oil and gas reserves. Quintana now run by executive committee consisting of three Cullen grandsons and a grandson-in-law, including publicity-shy Corbin Robertson Jr., 38. Grandson Ricky di Portanova brought a suit estimated at $2 billion against others; lost 1984. "The Baron" and mentally incompetent brother Ugo get by on about $10 million per year from mother's trust funds, which support estates in Rome, Acapulco, Houston. Over 20 family members control fortune worth at least $1.1 billion.

Currier

The Plains, Va.; NYC. Heirs of Ailsa Mellon Bruce, great-grandchildren of Andrew Mellon. Paternal grandfather David K.E. Bruce served as ambassador to four countries; Congress adjourned on wedding day, 1929. Parents Audrey Bruce and Stephen Currier died in Bermuda Triangle plane crash 1967; grandmother Ailsa died 1969. Three children recipients of generous trusts. Michael, 26, active family investments, philanthropies. Andrea C. Patterson, 31, country gentlewoman on family estate, Kinloch Farms, Va. Lavinia (Vinnie), 30, a jet-setter. Combined fortune should exceed $600 million.

Davis

Jacksonville, Fla. and various. Descendants of William Milton Davis, who founded small grocery store in Lemon City, Fla. 1925. James, now 80, kept father's books; 8 stores by 1931 (became Winn-Dixie 1955). James retired as chairman 1983 *(see Dropouts)*. Stores reflect a down-home southern style, "a supermarket chain with a southern accent." Small stores and cost-conscious philosophy keep Winn-Dixie profitable in tough markets. Now 1,273 stores in 13 states. Maintains generous employee profit sharing plan. Also political action committee. "We just believe in free enterprise." James' son, A. Dano, now president; nephew Robert chairman. Family owns 50,000-acre game preserve, ranch in Jacksonville. With 37% Winn-Dixie stock, stake in American Heritage Life, family worth over $830 million.

Dayton

Minneapolis. Dayton-Hudson Corp. Descendants of George Draper Dayton, founded Dayton's department store 1902. In 1938 transferred control to son, George Nelson, who raised 5 sons on 800-acre farm to instill familial cooperation. Succeeded: All sons in business by 1950. Added store 1954, then first enclosed mall, Southdale, 1956. Expanded into retailing outlets: Target, Mervyn's, Lechmere, B. Dalton Booksellers. Public 1967. D-H tradition: 5% taxable income to community philanthropies. Last son in management retired 1983. "Our egos and ambitions didn't stand in the way of doing the right thing in a timely way." A granddaughter has been awarded $6.6 million in settlement with Bible Speaks Church 1987. Fortune exceeds $1 billion. Herbert Haft *(which see)* recently bidding it up.

de Menil

Houston, etc. Descendants of physicist Conrad Schlumberger, who developed first "well logging" device 1920s. Bonanza for oil exploration—fine-tuned location, quality, if not quantity of oil. U.S.S.R. first country to try Schlumberger, Ltd. (Conrad, a socialist, pleased). Daughter Dominique resettled with husband John de Menil in Houston WWII. Has amassed over 10,000 works of art ("What I admire, I must possess"), opened $27 million museum to house part of collection 1987. Family believed worth at least $400 million; Dominique alone exceeds $200 million.

de Young

San Francisco et al. Descendants of Michael H. de Young, who started *San Francisco Chronicle* 1865 with brother Charles. Paper regaled public with racy scandal, mudslinging. Charles shot dead in office 1880 by irate reader; another later attempted to kill Michael. De Youngs warred for years with rival Hearsts *(which see)*; signed 1965 profit sharing pact. Great-grandson Richard T. Thieriot, 45, family head, publisher since 1977. Bought Worcester *Telegram & Gazette*, other Mass. papers 1986; sold real estate, abandoned videotex. Chronicle Publishing Co. now 6 dailies, 3 TV stations, cable, publishing. Some 45 heirs, none with de Young surname, share fortune conservatively est. by Richard at $450 million.

Dikeou

Real estate. Denver and Orlando, Fla. Pronounced "D-Q." Father Panayes ("Pete," d. 1977) emigrated

from Greece 1921, founded popcorn wholesaler Colorado Popcorn Co. with brother James. Switched to more profitable real estate with $2,200 Denver land purchase 1942; James stayed in candy. Dikeou Realty now owns 15 prime acres downtown Denver, at least 12 shopping centers in Jacksonville, Orlando (8 others breaking ground). Strategy: build small strip malls next to large regional malls, cash in on heavy traffic. Dikeou Realty now run by 3 sons: George, 56, single; John, 51, divorced, 2 kids, handles Denver operation; Deno, 49, single, oversees Fla. office. Family owns minor league Denver (baseball) Zephyrs; still after big league franchise: "That's a job in itself." Net worth at least $350 million.

DiLorenzo

Real estate. NYC. Father Alex DiLorenzo Jr., Brooklyn pharmacist, joined neighbor Sol Goldman *(which see)* to buy properties 1951. Goldman-DiLorenzo became NYC's largest landlord, heavily leveraged. Lost 40% of properties in 1973-74 real estate crash, incl. Chrysler Building. Alex III joined just in time to "watch some big properties go bye-bye." On father's death 1975, Alex and Goldman split remaining parcels by flip of coin. Alex expanded, now owns nearly 400 properties, many small, commercial "taxpayers." Cautious, long-term view. Many fee positions, net leases: "We don't push these things. We put 'em away and hope they work out." Owns landmark Washington Mews in Greenwich Village, NYC. Recently bought small brokerage, mortgage banker. Soft-spoken Alex, 37, a former teacher who founded school in Brooklyn for dropouts, now family leader. Brother Marc, 30, a jet-setter, also active in business. Sister Lisa, mother Jean also benefit. Family fortune worth much more than $500 million.

Disney

Los Angeles area. Heirs of Walter Elias Disney (d. 1966), paperboy-turned-genius cartoonist; early cartoon: *Oswald the Lucky Rabbit.* Started small Hollywood firm with brother Roy producing cartoons 1923; conceived Mickey Mouse 1928. Wife Lillian chose name, overruled Walt. (His choice: Mortimer; Lillian: "Don't you think that's a bit pompous?") Walt Disney Co. now includes theme parks (Epcot Center, Disneyland, etc.), movies, the Disney Channel, etc. Receives royalties from Tokyo Disneyland; recently won approval to build Euro Disneyland outside Paris. Walt's widow Lillian, daughters Sharon, Diane control Disney Co. stock worth $590 million.

Donnelley

Origin: Chicago. Scattered descendants of Richard R. Donnelley (d. 1899), Canadian saddlemaker's apprentice who fled at 13 to work in print shop. Opened own print shop Chicago 1864; printing 23 publications by 1868. Destroyed by Great Fire of 1871; rebuilt by family into R.R. Donnelley & Sons, now nation's largest printer (*Time, Newsweek,* other magazines, tabloids, books, etc). Son Reuben H. built Reuben H. Donnelley Corp., Yellow Pages, magazine publisher; sold to Dun & Bradstreet 1961 for $80 million in stock. Grandson Gaylord retired but "honorary" chairman; received Purple Heart WWII. Fourth-generation Donnelleys—James R., 51, Charles Haffner III, 58—now on board. At least 75 descendants share 20% R.R. Donnelley, other assets, worth at least $1.35 billion.

Average estimated net worth of the family groups on these pages is about $700 million.

Duda

Oviedo, Fla. Czech immigrant Andrew Duda (d. 1958) left Cleveland, arrived Fla. 1911 to start religious farming community; went broke and back to Cleveland 1916. Returned 1926; planted 10 muckland acres of celery, plowed profits back into company: "It was a good investment." Three sons: John, 82, Andrew Jr. (d. 1986), Ferdinand, 77 (none went past 9th grade). Brothers planned retirement, company passed smoothly to third generation 1977. A. Duda & Sons today: $186 million sales, 120,000 acres; now one of nation's largest vegetable growers. At least 60 family members share land, vegetable empire worth well over $550 million. Family friend: "They're just plain people. They drive Jeeps like everyone else." Family prominent participants in Oviedo (pop. 5,000) school sports; local writer-proposed cheer: "The Camptown Races" (Duda, Duda).

Heirs of Pierre Samuel du Pont II

Wilmington, Del. Descendants of Pierre Samuel du Pont de Nemours (1739-1817), French Physiocrat who fled Revolutionary Terror for America in 1800. Son Eleuthère Irénée, chemist's apprentice, founded gunpowder factory on Brandywine Creek 1802. Company and family prospered in 19th century, became preeminent in field through Powder Trust of late 1800s. After family schism over control, Pierre S. du Pont II emerged as dominant figure 1915, set up Christiana Securities to control company (Christiana merged into Du Pont 1977). World War I munitions contracts lucrative, led to despised sobriquet "Merchants of Death." Pierre rescued nascent General Motors 1920s, got about one-third interest. Also Hercules Powder Co., U.S. Rubber (later Uniroyal), etc. Childless, Pierre left

bulk of fortune to siblings, nephew before death 1958. His family branch built up Wilmington Trust. Dissident branches established Delaware Trust Co. *(see William du Pont family).* Various du Ponts descended from Pierre II siblings still control more than 15% of Du Pont, making them the wealthiest branch by far. Not counting those in The Forbes Four Hundred *(see individual du Ponts),* the family shares a fortune believed to be well over $2 billion.

du Pont (William)

Wilmington, Del., Boston, Fla., Wyo. Children of William Jr. (d. 1965). William Sr. (d. 1928) ostracized from family for divorce, early 1900s, on wrong end of battle for Du Pont 1915; founded Delaware Trust to escape Pierre's Wilmington Trust *(see other du Ponts, family).* Retained huge holdings Du Pont stock, now to grandchildren. Henry Eleuthère Irénée (60), born William Henry, changed name 1973. Sued, with brother John, to block bequest of aunt Marion du Pont Scott (d. 1983) leaving estate of James Madison, Montpelier, to national historic trust. Henry wanted to live there; lost. His adopted children now suing to inherit despite will leaving everything to lineal descendants of grandfather. Impenetrable trusts safeguarded Henry's inheritance from business losses. Jean Ellen (Mrs. William Mason Sheehan) and brother John sold 25% controlling interest in Delaware Trust 1981. John lives with mother on Foxcatcher Farms estate. Ballistics expert (advice sought by police on occasion). Sponsors triathlon meets; onetime Olympic hopeful, won 1965 Australian pentathlon. Ph.D. in biology, founder of Delaware Museum Natural History. With sister Evelyn Donaldson, 4 siblings share fortune estimated at least $850 million.

Fisher (Oliver)

Seattle and environs. Oliver David Fisher founded Seattle lumber company to profit from rebuilding of San Francisco after earthquake, fire. With family, partners, embarked on wide-ranging career including ventures in milling, banking, media. Helped found Safeco Corp.; family still holds 6% common. Lumber company merged with Weyerhaeuser 1948. Oliver D. called Seattle area's preeminent capitalist at death 1967. Grandson Donald G. Graham Jr., 64, now in charge: 2 TV stations, 1 radio; flour mill; commercial real estate; stock in Weyerhaeuser, Safeco. Inner family circle runs business, but numerous heirs share in fortune worth over $420 million.

Getty

Calif., London et al. Heirs of billionaire oilman J. Paul Getty, whose father George founded predecessor George F. Getty Inc. 1903. Philanderer J. Paul, first of 5 divorces at 32, disinherited 1926; stock left to mother Sarah. Sarah C. Getty Trust est. 1934, gave control to Paul. In old age kept "harem" at English mansion, took regular "rejuvenation" injections. Known offspring: Gordon *(which see);* Jean Paul II *(see Dropouts);* Ronald; eldest son George probable suicide 1957; youngest son Timothy died after tumor operation at 12. Jean Paul II's son had ear severed in 1973 kidnapping; $1 million ransom lent by J. Paul I at 4%. Upon J. Paul I's death 1976, Gordon became sole trustee. Agreed to sell Getty Oil, liquidate trust in ill-fated Texaco deal; Gordon now focus of family feud. Getty interests in at least 10 lawsuits: "They have enough money to fuel the legal engines forever." Upon settlement, if and when, 4 branches expected to split $3 billion.

Goldman

Honolulu, Aspen, Colo., Oklahoma City. Two sons of Sylvan Goldman (d. 1984); owned supermarkets, invented shopping cart 1937. Merged his 33 Humpty Dumpty stores into ACF-Wrigley (now Allied Supermarkets) 1955. Left 1959 to build real estate empire: shopping centers, planned communities, hotels in Colorado, Southwest, Hawaii and Puerto Rico. Also banking, stocks, other interests. Son Alfred, 49, single, Wharton grad, now runs Goldman Cos. Reputed workaholic. Shares 50% equity with brother, Monte, 52, divorced, 2 daughters; not active in business. Together bought and refurbished Kaiser estate in Hawaii. Employees presented Al with a plaque: "Retire at a billion that's fine, the party is planned for '89." But with real estate weakness in oil country, may no longer be worth $400 million. Alfred says worth more: "They don't give you a plaque for just that."

Gund

Origin: Cleveland. 6 children of George Gund Jr. (d. 1966). Harvard Business School grad, sold family brewery during Prohibition, bought decaffeinated coffee firm 1919. Sold to Kellogg's 1927; now Sanka at General Foods. Moved into real estate, banking. President Cleveland Trust 1941. Son Gordon: "We didn't know the extent of our wealth until his death." Now they do: 4 sons, 2 daughters active in expanding fortune, including George III, Gordon who own NBA Cleveland Cavaliers, NHL Minnesota North Stars, stadiums they play in. Gordon, blind from retinitis pigmentosa, Princeton, N.J. venture capitalist. Agnes Saalifield, NYC, major modern art collector along with brother Graham, award-wining Boston architect, developer. Six jointly worth $870 million.

Haas

San Francisco. Bavarian immigrant Levi Strauss sold pants made of tent canvas to Calif. gold rushers, patented denim version 1873. Walter Haas Sr. (d. 1979) married Strauss grandniece, ran Levi Strauss & Co. 1928-55. Son Walter Jr., 71, took company public 1971; retired as chairman 1981, succeeded by brother Peter, 68. "Usually the fourth generation spends time on sports cars and jet planes. We haven't." But bought Oakland (baseball) A's 1980. Walter's son Robert, 45, joined Levi after Peace Corps, Harvard Business; now CEO world's largest apparel firm (revenues $2.76 billion). Took private 1985 in $1.7 billion buyout after profits sagged. Revived by streamlining operations, cutting work force (big switch for paternalistic

company). Since paid off 50% debt load, boosting family's equity to minimum $1.2 billion.

Hearst (John Randolph)

California, NYC area et al. Children of John Randolph Hearst, 1 of 5 sons of media baron William Randolph Hearst (1863-1951). John quit college after 1 year; headed *Town & Country*, later *Cosmopolitan, Good Housekeeping*. Slated to assume father's place at Hearst Corp., dabbled in real estate, oil instead (d. 1958). First wife Dorothy Hart left to wed William Paley *(which see)*. Four children from two other marriages: John Jr., 53, still active in Hearst Corp.; William II, 45, lives under assumed name in Calif. Daughters Joanne, 47; Debra, 37; both married, not active in company. All four share in father's 20% portion of estimated $2.5 billion trust. *(See individual Hearsts.)*

Hechinger

Washington, D.C. Children and grandchildren of Sidney Hechinger, founder of Washington wrecking and salvage business 1911. Company grew into major do-it-yourself building products chain, with 66 outlets today. Hechinger Co. public 1972; now in large-scale expansion. Sidney's son, John Walter Hechinger Sr., cochairman with brother-in-law and next-door neighbor Richard England. John Jr., president. Family of hands-on managers have knack for marketing, hands-on management. Family voluntarily waived all cash dividends in recent years on their controlling share of stock, worth $360 million.

Hillenbrand

Batesville, Ind. et al. Descendants of John Hillenbrand, son of German immigrant, bought into highly fragmented casket industry early 1900s, looking for national market. After WWII, pioneered mass marketing of first airtight, waterproof casket. Now sells greater volume than five biggest competitors combined. Also, 1928, began Hil-Rom, hospital furniture co., claims to be number one producer electric hospital beds. Little debt; cash surplus finances acquisitions: American Tourister 1978; Medeco Security Locks 1984; SSI Medical Services 1985. Daniel, 64, current CEO, chairman; his nephew, W. August, 47, president. Family's 62% interest in Hillenbrand Industries worth $665 million.

Hoiles (Clarence)

California et al. Three daughters of Clarence Harrison Hoiles, 1 of 3 children of Raymond Cyrus Hoiles (1878-1970), who assembled libertarian-leaning Freedom Newspapers chain. After college, Clarence was named publisher of chain's Bucyrus, Ohio *Telegraph-Forum*, then moved west 1935 to work for newly purchased *Santa Ana Register*. Became chief executive following father's death; his decade-long reign marked by profitability, growth (d. 1981). Issue of succession pitted brother Harry against sister Mary Jane *(see both)* and Clarence's daughters (Judith, Patricia, Mary). Family feud drags on in courts, press. Daughters share late father's one-third interest in company worth an estimated $900 million.

Horvitz

Cleveland area; Hollywood, Fla. Three sons, grandchildren of Samuel A. Horvitz, self-made entrepreneur, who hawked newspapers to support family at 8. Started Cleveland road builder, 1916. Bought bankrupt Hollywood, Inc. for $2 million, much land at $2 an acre and, later, 2 Ohio newspapers (d. 1956). Left in trust, denied trusteeship to philandering son Leonard, 64, but he and brothers (Harry, 67, and William, 61) divided management of businesses. After mother's death 1977, sons' simmering feud erupted into fist fights, lawsuits. Exasperated probate judge ordered trust liquidation 1986; 5 newspapers sold, cable-TV systems pending sale; others (Fla. real estate; road construction firm) will take longer. Proceeds after tax will range from $650 million up to $800 million. Harry: "Do I love my brothers? Probably not. My relationship to them is an accident of birth."

Houghton

Corning, N.Y. Descendants of Amory Houghton, founder Corning Glass Works 1851. Produced first glass bulbs for Thomas Edison

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1879. Diversifying from consumer housewares, developing top moneymaker—fiber optics; also telecommunications, biotech, medical instruments. Fifth-generation, family-dominated company. Accused of country-club management late 1970s, early 1980s. Current chairman and CEO James (Jamie) Houghton set to crack down on inefficiency. Began quality management system, co. restructuring, obligatory statistics course for all employees. "I have a reputation for asking hard questions and sometimes not being very nice in meetings." Result: increased profit margins, sales. Brother Amory Houghton Jr. recently won congressional seat. Aggregate family holdings worth more than $470 million.

Hoyt

NYC area and Santa Fe, N.M. Henry Hamilton Hoyt, after Princeton, left import-export business 1929 to take charge of father-in-law's company, maker of Carter's Little Liver Pills; anonymously bought control so he could cut dividends, develop products: "I believed in the axiom that a business cannot stand still." Introduced Arrid deodorant 1935, Nair 1940, Rise shaving cream 1949. Wallace Labs division brought out first ethical drug product, Miltown tranquilizer, 1955; health care, with laxatives, lozenges, pregnancy tests, etc., now 46% of sales. Dropped "Liver" from name of pills after 17-year battle capped by Supreme Court decision 1959. Added Pearl Drops tooth polish 1971, Trojan condoms 1985. Henry Sr., 92, now largely retired. Sons Henry Jr., 59, and Charles (Bud), 57, run $451 million (sales) Carter-Wallace. With sister Suzanne Garcia, control family's 52% stake worth $350 million.

Hunt brothers

Dallas. Three sons by first marriage of oil baron, bigamist H.L. Hunt *(see Margaret Hill, Caroline Hunt, Ray Lee Hunt)*, who used poker winnings to buy untapped east Texas oilfields, richest on earth until Saudi Arabia strikes (d. 1974). Sons born speculators, hoarded silver 1980 in apparent corner attempt. Bubble burst; forced to hock many personal assets, sell major oil holdings to pay down $1.1 billion bailout arranged by Federal Reserve. Silver-related losses of $1.5 billion plus oil patch decline put crown jewel Placid Oil in Chapter 11 1986, drilling arm Penrod Oil in default. Sued 23 banks for conspiracy to "dismantle and ultimately destroy" Hunt interests; banks countersued. Nelson Bunker, 61, considered world's richest man 1960s, claimed worth $16 billion incl. Libyan oilfields later nationalized. Vast land, racehorse operations now believed in jeopardy. "Big Bunk" nondrinking gambler, John Bircher. William Herbert, 58, oversees oil interests, guided Penrod's rapid expansion. Inherited father's contempt for high living: mows own lawn. Lamar, 55, left oil to brothers, pursued interest in pro sports. Owns Kansas City (football) Chiefs, cofounded American Football League. Also 3,000 acres KC-area, incl. 2 amusement parks, warehousing, limestone mine. Net worth thought higher than Herb or Bunk, but legal cloud, intermingling of trusts, companies, personal assets frustrated precise estimates of each. Long list of liabilities includes $500 million IRS claim. Today, even bloodthirsty creditor banks doubt 3 brothers could raise much more than $300 million among them from unattached assets.

Idema

Wege

Hunting

Office furnishings. Grand Rapids. Peter Wege (d. 1947), sheet-metal craftsman and holder of six patents, had idea for fireproof metal office furniture and launched own firm in 1912. Won big with first metal wastebasket. Prospered in 1920s, survived Depression (worked longtime employees part time to keep them). In 1934 co. patented modern-day suspension file cabinet. Changed name to Steelcase, 1954. Henry Idema (d. 1951) one of original investors; David Hunting (now 96) joined later, bought other investors' interests. Henry's son Walter set up tight financial control; daughter Mary married current CEO, Robert Pew, 64. Hunting became sales chief. Policies—tight controls, quality design, aggressive marketing, good pay and benefits in nonunion shop—made Steelcase biggest name in office furniture (fiscal 1987 sales $1.5 billion, about 22% of market). Almost all Steelcase stock is held by descendants of these three men. Shared fortune far exceeds $1 billion.

Johnson

Inheritance. Johnson & Johnson. Six children of J. Seward Johnson (d. 1983). Melodramatic court battle with Johnson's third wife Barbara Piasecka Johnson *(which see)* settled out of court. Excluding J. Seward Jr., who received $12 million, all others granted $5.9 million from estate. In addition, each child got trust 1944; today, if intact, each would be worth $154 million. Not all intact. Mary Lea Richards: NYC. 61. Married to producer Martin Richards (Broadway's *Sweeney Todd, La Cage aux Folles;* movies, e.g., *Fort Apache, The Bronx*, others). Proceeds from the settlement plus remaining trust assets worth $93 million. Elaine Johnson Wold: Boca Raton, Fla. 60. Husband, nonpracticing ophthalmologist, handles their investments. Worth $112 million. J. Seward Johnson Jr.: Princeton, N.J. 57. Sculptor (specializes in life-size groups). Received the largest settlement, including Cape Cod house, but invaded trust; worth $59 million. Diana Firestone: Waterford, Va. 55. With husband, raises Thoroughbreds; 1980 Kentucky Derby winner with Genuine Risk. Worth $112 million. Jennifer Johnson: Jacksonville, Fla. and NYC. 46. Photographer and gallery owner in partnership with brother James Johnson: Oldwick, N.J. and East Hampton, N.Y. 42. Operates New Jersey farm; also an accomplished painter (oils, representational). His trust, virtually intact, is worth over $154 million. Siblings have combined family fortune easily exceeding $680 million.

Jordan

Retailing, publishing. Origin: Boston. At 14 Eben Jordan left his hometown (Danville, Me.) for Bos-

ton with a little over a dollar. Worked as farmhand, errand boy. At 29 (with partner Ben Marsh) founded Jordan Marsh 1851 (later sold to Allied Stores). Along the way invested heavily in *Boston Globe*. Prominent among Jordan heirs today: Dorothy (Mrs. Randolph A. Kidder), her 2 children. Husband ambassador to Cambodia in 1964. She is beneficiary of about one-third of Jordan Trust. Its assets now primarily 30% ownership of Affiliated Publications. Fortune exceeds $720 million.

Kelley

Honolulu. Impecunious Roy Cecil Kelley landed in Hawaii 1929 after USC architecture study. Glimpsed Waikiki's future as middle-class "tourist factory." Designed hotels, borrowed $10,000 to construct first apt. house 1933. Watched Pearl Harbor attack from rooftop. Built first hotel 1947: no frills, cut rates, high occupancy. Expanded steadily into 7,000 room Outrigger chain, now largest hotel chain in Hawaii. Modest: "I like to do things the easy way. I'm lazy." Now 82, retired; company managed by son Richard, 54, Harvard-trained pathologist. Added two hotels 1986, claims substantial debt. Combined fortune (incl. Roy's stock portfolio) over $350 million.

Kennedy

Boston origin. Joseph Patrick Kennedy (d. 1969) started in Irish South Boston, rose to bank presidency at 25. Wall Street speculator; as first head of SEC outlawed tactics that made him rich; later ambassador to England. Married Rose Fitzgerald, daughter of Boston mayor, John F. (Honey Fitz) Fitzgerald, in 1914. Had 9 children. America's premier political family: John Fitzgerald Kennedy, senator, President; Robert Francis Kennedy, senator, Attorney General (both assassinated); Edward Moore Kennedy, 55, senator. Third generation now finding out what they can do for their country. Joseph Patrick II, 35, Robert's son, holds congressional seat formerly held by Tip O'Neill. Most financial holdings are managed from family's Park Agency Inc. (NYC): real estate (including Chicago's Merchandise Mart and Apparel Center), stock holdings, oil & gas interests. Family, which includes 29 cousins, 4 generations, believed worth over $600 million.

King

Short Hills, N.J.; NYC; Malibu, etc. Charles King pioneer radio syndicator 1930s; hit hard times with invention of television. Formed television syndicator King World Productions 1964; first major purchase: *The Little Rascals*. Charlie died 1972; sons Roger, Michael took over. Hit jackpot early 1980s with purchase of rights to *Wheel of Fortune, Jeopardy*—now two highest-rated shows in syndication (total 1986 revenues, $146 million). Latest hit: *Oprah Winfrey Show*. Four siblings each hold 10% King World stock: Roger, 43, chairman; Michael, 39, CEO/president; Diana, 38, v.p.; Richard, 46, private investor. Sister Karen quit co. 1986 after spat with siblings over right to sell King World stock (her reduced stake: 4.5%). Eldest brother Robert sold out for $1.7 million before co. went public 1984. Roger, jokingly: "Without me, there would be no television in America." Roger recently sentenced to two years' probation on auto theft, cocaine charges stemming from 1987 scuffle with Florida cabbie; also entered alcohol treatment center. "I'm glad I had the opportunity to reevaluate my life." 40% King World stake, other assets, worth $360 million.

Kleberg

King Ranch, Tex. Richard King, Rio Grande steamboat captain, bought Spanish land grants south Texas 1850s. Robert Kleberg beat him in a lawsuit, then married his daughter. Bob Jr. sold drilling rights to Exxon (then Humble) 1933; first wildcat strike 1945. Annual royalties once estimated up to $100 million. Oil profits plowed into ranching, not distributed to family members: "I think he was more afraid of what the oil money could do to us than he was of drought." Bob Jr. developed Santa Getrudis cattle, named first American breed 1940. On his death 1974, family chose eastern in-law James Clement to run ranch over heir apparent B.K. Johnson *(see Dropouts)*, later bought out his interest. King Ranch now 825,000 acres (bigger than Rhode Island), plus vast leased acreage Australia. With cattle, oil woes, long-paternalistic ranch said to have laid off half its workers. Some 60 heirs now own and operate. With past oil royalties, family believed to be worth $1 billion.

Kohler

Kohler, Wis. origin. John M. Kohler bought iron foundry 1873; enameled a hog scalder and sold to local farmer for 1 cow, 14 chickens. Moved into sinks, toilets, urinals, etc. Son Walter pioneered color-coordinated fixtures 1920s; Wisconsin governor 1929-31. Grandson Walter Jr. also governor. (1951-57), split with brother Herb Sr. 1940s. Bitter strike by UAW from 1954-62. Herb Jr., after flirting with stage career, worked throughout company, took over 1972. Detail- and design-oriented manager, also shrewd marketer: "I felt we could change the whole function of the bathroom and make it stimulating, possibly even social." Kohler Co. sales now over $600 million. Some 300 family members control 85%, including foundation. With Herb Jr., now 48, in forefront, family worth well over $300 million.

Landegger

NYC, London et al. Two sons of Karl F. Landegger, who bought Austrian paper mill 1920s. Escaped Hitler 1938, with maybe $40,000; to U.S. 1940. Purchased small pulp trading firm Parsons & Whittemore; now leading builder of pulp and paper mills (over 60, mostly Third World and communist countries). Also Black Clawson (paper machinery). Wholly owned by sons since father's death 1976. Carl, 57, heads domestic operations. Runs marathon, likes archeology. Discovered several pre-Columbian cities, earliest New World wreck (16th-century galleon, Bermuda). George, 50, handles overseas operations. Despite volatile pulp industry, combined net worth believed over $330 million.

Family Fortunes

Lawrence

NYC area. Sylvan Lawrence dropped out of college twice, sold bikes, worked in aircraft factory, joined merchant marine and jerked sodas before joining older brother Seymour Cohn *(which see)* in real estate brokerage 1946. Seymour put firm in Sylvan's name as "lucky charm." Apparently it worked: From fees, commissions, built largest, if unsung, office empire in lower Manhattan. Sylvan, suave Mr. Outside, directed firm until death 1981. With no estate planning, company has since sold $600 million of properties. Seymour: "Financially, the wrong one died." Heirs include widow Alice, son Richard (active in the business), two daughters. Property managed by Seymour, others. Heirs' interest worth at least $400 million.

Lilly

Indianapolis et al. Descendants of Col. Eli Lilly, Civil War veteran who opened drugstore after farming stint in Miss. Opened chemical maker Lilly's Laboratory with 4 employees, 14-year-old son 1876. Son Josiah took over 1901, introduced first commercial insulin 1920s. Succeeded by his son Eli, nurtured early production of penicillins, antibiotics 1940s; also Salk polio vaccine 1950s. Eli Lilly & Co. now worldwide producer ethical drugs, medical equipment, animal health products (1986 sales, $3.7 billion). Bought Elizabeth Arden Cosmetics 1971; sold 1987 to Meshulam Riklis' Fabergé for $700 million. Legal problems 1970s-80s: DES, Darvon, Oraflex. Marketed first drug (Humulin) based on genesplicing technology 1985. Lilly family no longer active in top management. Reticent; immensely charitable: Established Lilly Endowment 1937; now $2 billion assets. Family believed to hold over 10% of stock, currently worth over $1.5 billion.

Lykes

Florida origin; New Orleans, elsewhere. Descendants of Dr. Howell Tyson Lykes (d. 1906); settled in Fla. 1870s, acquired land, amassed fortune raising, shipping cattle to Cuba. Moved to Tampa 1895; with 8 children expanded to other regions, branched into shipping. Lykes Corp. moved into insurance, banks, real estate, citrus, steel 1960s. Merged with LTV Corp. 1978; escaped mostly unscathed from famous LTV crash 1986. Bought back steamship line 1982. Own 60% Glades County, Fla. (400,000 acres) plus large Texas ranch. Some 200 family members share family empire worth at least $1 billion. Observer: "There are some rich Lykes and some poor Lykes. I'd like to be a poor one."

Mack

NYC and Long Island. Russian immigrant Philip Mack began construction/demolition co. some 80 years ago. Son H. Bert (now 78), with sons, built integrated Mack Co., pioneer in suburban development (N.J., Long Island, also Tampa). Many industrial sites N.J. Meadowlands 1960s, office parks 1970s. Now 11 million sq. ft. industrial, 5 million sq. ft. office—all very profitable; AT&T one of largest tenants. Lost 1984 bid to move major league baseball to Tampa; still hoping for a franchise. Now doing major office project N.J. waterfront, others; about 1 million sq. ft. under way. Backed takeover bid on Hammermill Corp. 1986, settled for est. $24 million profit; other contentious stock plays. Brothers William, Earle, David active in business; brother Fred also partner. Socialite Earle also produces movies; bid for Britain's Goldcrest Films & Television rejected 1987. Family worth $450 million.

McClatchy

Sacramento, Calif. et al. Descendants of Irish immigrant James McClatchy, who started as reporter for *Sacramento Bee* 1857; later bought by family. Granddaughter Eleanor named publisher 1936; powerful recluse who promoted liberal causes in papers (d. 1980). Her nephews Charles Kenney, 60, and James, 66, oversee McClatchy Newspapers' 3 *Bees* (Fresno, Modesto and flagship Sacramento), plus 9 smaller dailies. $250 million libel suit over 1983 article linking casino-skimming to Paul Laxalt family recently dropped. Fourth generation now planning to take co. public "to preserve our newspapers' independence and integrity." Fewer than 15 McClatchy family members own co. valued by preliminary offering at $550 million.

McDonnell

St. Louis. Family of James S. McDonnell Jr., "man with a slide rule mind" who founded McDonnell Aircraft Corp. 1939. "Mr. Mac" fascinated with paranormal, early fighter planes named "Devil," "Voodoo" and "Phantom." Designed/built Mercury space capsule used for John Glenn's earth orbit; merged with Douglas Aircraft 1967. Defense Department primary customer: Government sales jumped over 50% during the first 4 years of Reagan presidency. Leader in fighter aircraft, produces commercial jetliners. 1986 sales: $12.7 billion. Sanford, nephew of James S. (d. 1980), named chairman 1980. "Sandy," 65, Princeton graduate, amateur sculptor, enjoys opera. James' sons John, 49, president; James III, 51, vice president. McDonnell family stock, other assets worth at least $400 million.

McGraw

NYC et al. James H. McGraw hawked magazine subscriptions 1880s. Rather than collect overdue pay, bought into moribund railroad publication. Revived. By late 1920s owned 20 magazines and book business. Today McGraw-Hill, Inc. information products conglomerate ($1.6 billion sales): magazine publishing, 4 TV stations, Standard & Poor's, information systems. Also largest textbook publisher in world. Grandson Harold W. Jr., 69, joined co. as book salesman 1947; retired as CEO 1983, remains chairman. Fended off fierce takeover battle with American Express 1979. "Determination is the single most important attribute of a publisher." At least 30 scattered descendants share 20% McGraw-Hill and other holdings worth well over $840 million.

Family Fortunes

Mead

Wisconsin Rapids. George Wilson Mead left Illinois furniture store to take over construction of dam, paper mill when father-in-law died 1902. Completed mill housed first electrically powered paper machines 1904; put profits into other mills, became president Consolidated Papers, Inc. 1916. Son Stanton, now 87, pres. 1950-66; expanded, oversaw modernization. Grandson George II, 60, got graduate degree Institute of Paper Chemistry (Wis.) 1952; chairman since 1971. Clark Kent look-alike George navigated company through downswing in magazine industry (mill's main customer) until recovery 1978. "We thought the magazine industry was a dead duck." Consolidated Papers now leading producer enamel, coated specialty papers (1986 sales, $650 million). George: "This is an operating industry. You can't sit on top of a tower in Manhattan and think lofty thoughts." Extensive family controls stock, with other assets, believed worth some $640 million.

Mellon (Richard King)

Ligonier, Pa. Surviving adopted children of Richard King Mellon, dominant businessman in family of his generation, grandson of Judge Thomas Mellon (d. 1908). R.K. guided family empire from 1930s to death 1970. Son Seward (Pross) trained in Mellon Bank trust department, now director; also president family investment firm Richard K. Mellon & Sons. Brother Richard tried banking, switched to conservation and oceanography; chairman of Richard King Mellon Foundation, family philanthropic organ. Sister Cassandra Milbury active in philanthropy, public affairs. Beneficiaries of trusts on death of father, mother Constance (d. 1980). Combined net worth believed to exceed $600 million. *(See also other Mellons, Currier family, May, Scaife.)*

Murphy

El Dorado, Ark. Investor Charles Sr. (Mr. Charlie) built timber and farming operation, drilled first oil well in Louisiana 1907 (d. 1954). Son Charles Jr. started own oil production co. at 16 with $5,000 from grandfather. Took reins of Murphy Oil Corp. 1941 at 21 after father's stroke; never went to college: "I don't care a thing about business schools. They don't teach people to think." Murphy Oil now fully integrated; stock price has recovered from oil market slump, but not profits. Charles Jr., 67, retired as CEO 1984; remains chairman but busier with Ark. banks. Three sons in business: Charles III (Chip), 34; Madison, 30; Michael, 39. Over 50 descendants share 38% Murphy Oil. Stock, timberland, other assets worth $600 million.

Nordstrom

Seattle. John W. Nordstrom, immigrant from Sweden in 1888, went West as logger and miner, learned English, made $13,000 in 1896 Klondike Gold Rush. "Mr. John" settled in Seattle, opened shoe store 1901 with partner (later bought him out); by 1963 John's three sons had built largest independent shoe chain in U.S. Diversified into women's fashion 1963, menswear 1968. Nordstrom, Inc. now leading fashion retailer, with $1.3 billion sales. Co. edict: "Give the lady what she wants." Now run by founder's grandsons: Bruce, James and John. "We outservice, not outsmart." Family has 51% stake in Seattle (football) Seahawks. Nordstrom stock worth $1.2 billion.

O'Connor

Victoria, Tex. Descendants of Thomas O'Connor (d. 1887), who built a 500,000-acre, 100,000-head ranching empire in south Texas. Reduced family land still includes famed Tom O'Connor oilfield, discovered 1931, to date 720 million barrels, at rumored 50% royalty. Family-owned Copano Oil is small operator. Branched into banking to have some place to put their money. Among most private people in the state. Most visible: Tom O'Connor Jr., 72, senior chairman Victoria Bankshares, 20-bank chain on Texas Gulf Coast. At least 25 family members share fortune exceeding $500 million.

Ordway

Origin: St. Paul. Plumbing supply executive Lucius P. Ordway rescued ailing mining concern 1905; legend: Two shares equaled one shot cheap whiskey. Paid off debts, converted into sandpaper factory; product turned mushy in humid Duluth, moved co. to drier St. Paul. First profit 1916; company now 3M, $8.6 billion conglomerate (industrial, electronics, health, graphics products). *(See also Virginia McKnight Binger.)* Grandson John (Smokey) Ordway Jr. last family tie (director). Family visible force in Twin Cities: cofounded Minnesota (hockey) North Stars, built Ordway Music Theater in St. Paul 1984. At least 50 widely scattered descendants share in Ordway trust worth over $400 million (7% 3M) when distributed 1979.

Pew

Origin: Philadelphia. Heirs and descendants of Joseph Newton Pew Sr., who developed method of capturing previously wasted natural gas from oil wells. Founded Sun Oil Co. 1886. Entered oil production business 1901 at Spindletop. Died at his desk 1912; son J. Howard president 1912 to 1947, made comeback as chairman 1963-69 (last Pew to run firm). Family decreasingly active in co. Great grandson, Andy, 51, president of Sun subsidiary, only Pew in management. Devout Presbyterians, Republicans; family is widely dispersed. Established, maintain $2.4 billion (assets) Pew Charitable trusts (mostly support education, health and human services). At least 1,000 descendants share 6% Sun Co. stock, other assets, worth over $380 million.

Phipps

Pittsburgh origin. Henry Phipps (1839-1930), son of Philadelphia cobbler, grew up Allegheny, Pa.; neighbor of Andrew Carnegie. Became partners, pioneered Bessemer process of manufacturing steel. Phipps took $50 million in stock on sale to J.P. Morgan, 1901. Moved to NYC. Established Bessemer Trust

(1907), split among 5 children. Trust part of Bessemer Group, owned by Phippses. BG now manages over $4 billion for outside clients in addition to Phipps' money. Average client got 22% return 1986. Family now into fifth generation; some 200 members live mostly NYC and Florida. Litigation, ill will over trust management. Howard Phipps and Anne Sidamon-Eristoff, children of Howard Phipps Sr., youngest of steel baron Henry's five offspring, have combined fortune of over $400 million. Phipps heirs (including Howard and Anne), socialite Guests, philanthropists share investment portfolio, real estate, shipping, energy interests worth estimated $1.9 bill.

Pigott

Seattle. Descendants of William Pigott Sr. Founded Pacific Car & Foundry 1905; supplied railway cars, trailers for Pacific Northwest logging industry. Entered truck business with 1945 purchase of Kenworth. Paccar, Inc. now second-largest heavy-trucking manufacturer: Kenworth, Peterbilt trucks, designer commercial vehicles—"the Rolls-Royce of trucking." William's grandchildren Charles and James only family members active in Paccar; Charles still chairman. James serves on board, but more involved in own management consulting firm. Family intensely private, secretive: "It's like they're almost embarrassed by their money." Charles pres. of Boy Scouts of America. Over 30 family members believed to hold 40% Paccar. Other assets, stock worth over $615 million.

Pitcairn

Bryn Athyn, Pa. et al. John Pitcairn, devout Scottish immigrant, telegrapher from Pennsylvania Railroad established glassmaking plant on shores of Allegheny River 1883. Dispute with partner left two competing companies: PPG and Libbey-Owens-Ford. John's PPG expanded into chemicals. After John's death 1916, heirs retained equity interest (14% PPG stock) until late 1985. Last Pitcairn in firm retired 1935. Family helped found Swedenborgian church in Bryn Athyn, John's son Raymond designed cathedral. Holding co. recently liquidated. Assets now managed by Pitcairn Financial Mgmt. Group. After 65-year family-only policy, co. now promoted as money manager for America's wealthy. Estimated family fortune, incl. liquid assets, securities, proceeds from real estate worth over $650 million.

Pulitzer

St. Louis et al. Descendants of Joseph Pulitzer (1847-1911), once-penniless Hungarian immigrant who settled in St. Louis after Civil War, paid $2,500 for bankrupt *Dispatch* 1878; encouraged muckraking, yellow journalism. Later merged with *Post*; bought out partner. Purchased *New York World* 1883; built into dominant U.S. paper, now defunct. Founded first journalism grad school, Columbia 1903; established Pulitzer Prizes. Pulitzer Publishing Co. now 2 dailies (St. Louis, Tucson), 7 TV and 2 radio stations. Family feud resulted in $187 million buyout of dissident members 1986, 18% public offering. Family trust, controlled by grandsons Joseph Jr., 74, half-brother Michael, 57, cousin David Moore, 63, retains 98% voting power. Joseph Jr.: "I was not trained by my father to liquidate this company." Fortune exceeds $520 million.

Richardson

Greensboro, N.C., Connecticut et al. Lunsford Richardson sank life savings ($8,000) in small N.C. drugstore. Sold store to develop, market Vicks Vaporub (named after brother-in-law). Post-WWI flu epidemic quadrupled sales, reputation made. Son H. Smith Sr. (d. 1972) built up Vicks Chemical, later on Richardson-Merrell Inc. (Cepacol, Bendectin). Sold to Dow Chemical 1981 for $80 million stock, created Richardson-Vicks (Clearasil, Nyquil). Merged reluctantly with Procter & Gamble 1985 at substantial gain. Family invests conservatively, except for two venture capital forays, including Vanguard cellular phones. Family prints own newsletter, meets semiannually. "It's remarkable how close our family is." Over 200 descendents share securities, real estate, other assets worth well over $500 million.

Rockefeller

NYC et al. Descendants of John D. Rockefeller, world's first billionaire, founder of Standard Oil. J.D., initially accounting clerk, saved money, invested in merchant grain commission business, 1858; put $4,000 into oil refining 1863. Considered oil very much secondary to grain. Changed mind. By 1870, Standard Oil capitalized with $1 million. Went on to form legendary monopoly. Furor over Standard cabal until 1911 Supreme Court decision led to breakup of Standard "trust." Son John D. Jr., married Abby Aldrich. Seeking her father's approval of match, Jr. went into long, earnest recitation of his financial prospects. Jr. devoted much of life to philanthropic work. Between them, J.D. and Jr. donated over $1 billion to a multiplicity of causes. Daughter Abby and 5 sons and their heirs inherited. Nelson branch: "Rocky" gregarious leader of "brothers'" generation *(see also Laurance, David and Winthrop Paul Rockefeller)*; liberal Republican, 4-term governor New York, appointed Vice-President under Gerald Ford. Left 4 surviving children by first marriage, 2 by second wife Margaretta "Happy" Fitler Murphy. Fledgling real estate ventures by various family members. John D. III branch: John D. IV "Jay" like father (d. 1978), developed great interest in Asian culture. Jay former governor W.Va. (1977-84), now U.S. senator (spent over $12 million on race); rumored to think of running for president. Worked as Peace Corps adviser, later as Appalachian social worker. Abby Mauze's branch: daughter, Abby Milton O'Neill *(see Dropouts)*, is trustee Rockefeller Brothers Fund. Husband George D. manages her personal investments. Three branches' combined share of family fortune is estimated at almost $2 billion.

Rockefeller (William)

Greenwich, Conn., NYC and various. Founding father William Rockefeller (1841-1922), genial

brother John D. Rockefeller, ran Standard Oil of New York (now Mobil) until Trust busted 1911. Controlled as much as 12.5% of Trust, plus extensive RR, utility stocks. Married two of his sons to daughters of James Stillman, head of National City Bank of N.Y. (now Citibank). Daughters married into McAlpin, Dodge fortunes. Family still owns energy stocks, land in Greenwich; conservative, decentralized management, some run by Andrew Rockefeller, 58, William's great-grandson. Some 75 heirs share in fortune over $350 million.

Rose

NYC. Jerusalem-born David (d. 1986) cofounded Rose Associates with brother Samuel (d. early 1960s) in Bronx 1920s, later shifted to Manhattan. David built into one of NYC's oldest, biggest apartment builders, now run by Sam's sons Frederick, Daniel, Elihu (all Yalies). Own, manage reported 15,000 apts. NYC, Boston, Washington, D.C.; also prime office properties NYC, Boston. Fred is the builder, Dan the long-range planner, Eli the manager. Next generation now coming to fore: Fred's son Jonathan leading $250 million redevelopment in downtown Brooklyn. Brothers doggedly deny substantial equity, claiming foreign investors (including British noble families) and many management jobs for institutions; Dan: "We're working furiously to become big enough to justify inclusion. In the meantime, we're just folks." NYC real estate sources say otherwise. Net worth believed far over $350 million.

Rosenwald

Philadelphia area; NYC et al. Julius Rosenwald (d. 1932), mail-order pioneer, gained control Sears, Roebuck after founders sold out (Alvah Roebuck, 1895; Richard Sears, 1908). Built into largest merchandise retailer in world. Family said to hold much well-hidden stock plus other investments. Insider: "The Rockefellers made their mistakes public, the Rosenwalds reveal nothing." Son Lessing (d. 1979), former chairman, assembled major art collection. Son William, 84, today believed richest member, over 90% American Securities Corp., big stake Ametek, Inc. (his daughter Elizabeth Rosenwald Varet now serves on board). Fortune estimated at $300 million or more.

Schnitzer

Portland, Ore. Palm Springs. 4 surviving sons of Polish immigrant Samuel Schnitzer, who with Harry Wolf built Alaska Junk Co. early 1900s, Oregon Steel Mills 1941. Sons expanded, prospered in scrap-dealing post-WWII. Family bought out Wolfs after feud 1958. Son Leonard, 62, heads Schnitzer Group (with Manuel, 79; Gilbert, 70): steel products, scrap, shipping. Brother Harold, 64, quit business 1950. Controls vast real estate Portland, Seattle, San Francisco, Denver, etc. through Harsh Investment Corp. Believed richest family in Oregon; charitable. Very private. Wealth exceeds $300 million.

Scripps (E.W.)

Origin: Cincinnati. Descendants of populist Edward Wyllis Scripps, who started *Cleveland Press* 1878, built into nation's once-largest newspaper chain. Family history of feuds: E.W. split with half-brother James *(see below)*, who formed own firm. After E.W.'s death 1926, 3 sons split papers, expanded, rearranged for their offspring: Robert's 6 children (1 deceased) inherited majority stake in Scripps Howard media conglomerate (now 21 dailies, 80% stock in Scripps Howard Broadcasting, 390,000 cable subscribers); John willed 7-daily chain John P. Scripps Newspapers to children, merged with Scripps Howard 1986; James E. passed Pioneer Newspapers to son James G. (d. 1986) and Scripps League to son Edward W., 78. Some 40 members of succeeding generation share fortune, much in trust, worth at least $2 billion.

Scripps (J.E.)

Detroit area, La Jolla, Calif. et al. Descendants of James Edmund Scripps (1835-1906), English immigrant who arrived in Illinois 1844 with new concept: simple, punchy articles for "people's press," big change from purple prose in papers of the era. Sold family farm, borrowed heavily, started *Detroit* (evening) *News* 1873. Successful formula applied elsewhere. Bitter split with half-brother E.W. *(see above)* early 1900s. Built into Evening News Association, run by succession of heirs, sold to Gannett for $717 million 1985. Booth Newspapers sold 1976 for $300 million (34% family stake). More than 50 Scripps relatives now share fortune estimated at least $750 million.

Segerstrom

Orange County, Calif. Charles John Segerstrom came to U.S. from Sweden 1882, arrived Orange County 1898 with wife, 11 kids. Started farming on 40 leased acres, gradually built up land holdings with four youngest sons, two of whom never married. C.J. died 1928. By 1950s C.J. Segerstrom & Sons was nation's leading grower large lima beans. Third generation, now led by Henry, 64, and Harold Jr., 59, urged diversification into real estate post-WWII: industrial space, then shopping centers, offices. Henry: "You either grow or you die. This is what nature tells us." South Coast Plaza (1967) now biggest U.S. mall, annual sales near $600 million. Donated land, led drive to build Orange County Performing Arts Center, opened 1986. Henry, mother Nellie Ruth, 89, cousin Harold, are partners in firm with equity well over $400 million.

Sherman

Dayton, Ohio. Heirs of brothers John Q. and William C. Sherman, cofounders of Standard Register Co. Business forms, machines manufacturer incorporated 1912. Wiped out by 1913 Dayton flood, moved across town. Hit big with 1935 registrator platen, revolutionary method of "pinfeeding" continuous business forms through typing machines; co. now leading maker of business forms, data systems, forms handling equipment. John left 9 children; 2 still with co.: James, 64, single, joined board 1944; William, 67, married, 5 chil-

dren, director since 1941. Kids won't move into co. until Dad retires: "We're trying to avoid nepotism." Family avid local sports supporters: Univ. of Dayton Flyers, Cincinnati Bengals, Reds; also raise horses. About 30 family members share two trusts holding stock worth $425 million.

Shoen

Phoenix, Ariz. Twelve children of Leonard Samuel Shoen, ex-barber who dreamed up move-it-yourself scheme while recovering from rheumatic fever in Navy WWII. Founded U-Haul in Ridgefield, Wash. 1945 with $3,000, "junker" trailers; now 64,000 trucks, 100,000 trailers (1987 sales, $819 million). Gradually gave stock to kids (95% by 1986); generosity repaid: Dad kicked out late 1986 *(see Dropouts)*. Son Edward: "He had to retire and be run off simultaneously." U-Haul hurting: 1987 aftertax earnings from operations only $2.2 million, heavy layoffs. U-Haul today: Chairman Edward (Joe), 39; Samuel, 42, Paul, 33, James, 27, are directors. Father L.S., 71, owns 2% stock, plotting comeback from Las Vegas: "I personally disapprove of the way they operate." For now, Shoen siblings share private company worth at least $300 million.

Smith

Origin: Chicago. Four Smith brothers with large stake in Northern Trust Corp. helped 2 Swedish toolmakers finance Illinois Tool Works 1912. Original 40-ft.-by-100-ft. loft now replaced by 86 domestic, 64 foreign manufacturing plants, sales over $960 million. Milestone: invention of Shakeproof fastener 1923. Manufactures tiny products (fasteners, screws, nuts, bolts); many sell for a penny, but 13,000 per average automobile add up. Developed now ubiquitous plastic six-pack soft-drink and beer carrier 1960s. Family members: Edward, 78, Harold, 78, honorary chairmen of Northern Trust and ITW, respectively. Harold Jr., 54, chairs exec. committee, David, 51, v.p., treasurer. Family controls at least 28% ITW, over 26% Northern Trust worth over $810 million.

Smith (Charles)

Washington, D.C. Russian immigrant Charles E. Smith began building in Brooklyn, lost a bundle in the Depression, came to D.C. as building superintendent before WWII. On own, first venture lost money; almost took job at bar & grill. Persevered, built rental apartments. Son Robert joined 1950. Together, assembled land, much of it a railroad yard, in Arlington early 1960s; built vast Crystal City project: Now its 41 buildings house 70,000 workers. Family holdings total 16 million sq. ft. offices, much in D.C. area, including Skyline City in Va. Charlie, now 86, semiretired, "but he's still got all his buttons." Spends much time in Palm Beach overseeing philanthropies (George Washington U. named basketball arena for him). Company run by formal, reserved son Robert, 59, and more outgoing son-in-law Robert Kogod, 56. Low-key family has D.C.'s biggest real estate empire, with equity over $500 million.

Stone

Chicago. Joseph H. Stone left Russia about 1890; with $2,300, sons Marvin and Norman, opened small wrapping paper store in pre-Depression Chicago. At father's death 1936 sons (including Jerome) built first corrugated-box plant, expanded through acquisitions; J.H. Stone & Sons became Stone Container Corp. 1945. Current chairman/CEO Roger talked family out of $125 million Boise Cascade buyout offer 1979: "A lot of people thought we were a little crazy." Not so crazy: Stone Container stock up 843%, vs. Boise's 262%. Co. donated 10 tons cardboard to 1987 Chicago boat race. Didn't help: Stone Container boat lost Stone International Cup (2-ft. diameter, corrugated paper) to local entry. Two surviving Stone brothers (Norman d. 1985), with family, control 31% stock, etc., worth $540 million.

Stroh

Detroit. 18th-century German brewers; young Bernard arrived Detroit 1850 with $150; brewed, delivered door-to-door with wheelbarrow. Stroh Brewery grew slowly; survived Prohibition by making ice cream (still does); survived competition by going national. Great-grandson and CEO Peter, 57, persuaded family to buy F&M Schaefer for some $70 million 1981; then Schlitz, for 70%-financed $500 million 1982. Now third-largest U.S. brewery: 23 million bbl. with 11 beer brands, 1 cooler, 2 nonalcoholic drinks. Family moving into real estate development. Still private; 4 Strohs dominate, but nearly 30 family members have stock worth at least $500 million.

Stuart

Bellevue, Idaho and Los Angeles. Grandfather Elbridge Amos Stuart founded Carnation Co. 1899 in Kent, Wash. Paid $25,000 for evaporated milk process; sold to prospectors en route to Yukon gold rush. Co. grew to include Coffee-mate, Instant Breakfast, Friskies; sold to Nestlé 1985 for $3 billion. Elbridge, 70, Carnation v.p. until quit 1961 over autocratic practices of CEO father, Elbridge Sr. (d. 1972). Jr. married to noted paleontologist Marion Butler Stuart. Raises cattle and alfalfa on secluded ranch. Dwight, 63, co. president 11 years, resigned 1983. Grows alfalfa on 2,500-acre Calif. ranch. Combined fortune worth over $400 million.

Swig

San Francisco. Real estate bigwig Benjamin Swig (d. 1980) operated in Boston, while partner, cousin Jack Weiler *(see family)* worked in New York City; Swig moved to San Francisco 1946. Developed offices; now Swig, Weiler & Arnow controls over 5 million sq. ft., mostly NYC, also SF, other cities. Swigs paid estimated $180 million 1982 for Weilers' half-interest in the Fairmont hotel chain, 2,100 luxury rooms in SF, Dallas, New Orleans; adding 1,275 rooms in San Jose, Chicago this year. Active buyers (with partners) in 1986: Long Beach's Arco Center for estimated $60 million; package of 14 old NYC buildings for est. $230 million, was described as the "deal of the decade." Melvin, 70, heads operations, does deals;

brother Richard, 62, runs hotels; brother-in-law Richard Dinner, 66, now in retirement. Share fortune believed to exceed $550 million.

Taylor

Origin: Boston. Fading *Boston Globe* revived 1872 by General Charles H. Taylor. Paper's management dominated by succeeding three generations. William O., 55 (married, 3 children), great-grandson of the general, is current chairman of umbrella company Affiliated Publications, Inc. Profits mostly fed back to paper. Modest lifestyle maintained by family: e.g., nice houses, but not in exclusive areas; remain largely out of public eye. Family fortune estimated at least $700 million.

Temple

Diboll, Tex. et al. Descendants of Thomas Louis Latane Temple Sr., who founded Southern Pine Lumber Co. 1893 with 7,000 acres in "Piney Woods" of east Texas; by 1908, 124,000 acres. Co. devastated by Depression. Son Arthur inherited 200,000 acres, crushing $2 million debt in 1934. By 1973 half-million-acre forest earning $9.6 million a year; overseen by innovative grandson Arthur Jr., who developed "perpetual forest," selective harvesting. Merged with Time Inc. 1973; Arthur Jr., 67, Time vice chairman 1978-83, now chairman Temple-Inland, spun off 1984. Son Arthur III (Buddy), 46, active politically: 4 terms in Texas House, ex-chairman Texas Railroad Commission, failed in run for governor 1982; now runs small family investment co. At least 30 family members (5 branches) own stakes in Time Inc., T-I, other interests, believed worth $1 billion.

Thompson

Dallas. Ice company executive Joseph C. Thompson began career loading ice blocks onto horse-drawn wagons. Formed Southland Ice Co. 1927; 7-Eleven convenience store chain descendant of "Tote'm Stores," ice docks that also sold bread, eggs, milk to satisfy late-night customers. Now over 8,700 outlets, largest convenience store chain in U.S. Joseph died 1961; co. now run by sons: John, 61, chairman; Jere, 55, president, CEO. Third son Joe C. (Jodie), 46, recently resigned as vice president to run local liquor store chain. Brothers' backgrounds identical: Univ. of Texas business school, Phi Gamma Delta, football team managers. "They have an incredible ability to get along with each other." Fearful of takeover, family recently announced $5 billion leveraged buyout. Stock, other interests worth at least $380 million.

Upjohn

Kalamazoo, Mich. Descendants of Drs. Henry and William Erastus Upjohn. W.E. invented and patented first dissolvable pill for accuracy of dosage. With brother Henry founded the Upjohn Pill & Granule Co. 1886. Co. grew, produced phenolax wafers, Kaopectate, digitalis; also antibiotics. Went public 1958. Maintains second-biggest R&D budget (as percent of sales) in industry. Xanax and Halcion recent winners, treat central nervous system disorders. High prospects for Rogaine, baldness treatment currently before FDA. James Gilmore believed richest single member. Family believed to hold over 20% of stock. Combined fortune worth $2.3 billion dollars.

Van Every

N.C., S.C. et al. Descendants of Salem Van Every, partner of father-in-law Philip L. Lance in peanut butter packing operation. Cofounded Lance Packing Co. 1913 with $60, peanut roaster, peanut butter mill. Wife's idea later became Lance staple: peanut butter cracker sandwich. Lance, Inc. formed 1939; now makes everything from cookies to pork skins (1986 sales, $367 million). Salem died 1943, left 5 sons. Philip, only son ever active in co. management, chairman until death 1980; siblings William, David also deceased. Two remaining brothers now on board: Salem Jr., 76, career Navy man; Stephen, 69, retired horticulturist, tends farm. Overall, 46 family members share 41% Lance, Inc. worth $330 million.

Wattis

Origin: Ogden, Utah. Descendants of Edmund O. Wattis, who founded Utah Construction 1900 with Mormon banker and polygamist David Eccles et al. Paid-in capital: $24,000. Railroad builders, then bridge and Hoover, Grand Coulee dams. Prolific Eccles family's shares dispersed but not Wattis'; E.O.'s grandson Edmund Littlefield *(which see)* succeeded chairman Marriner Eccles, David's son, 1971. Construction business sold to Fluor Corp. 1969. Utah International became coal, copper mining powerhouse. Family held 14% UI when sold out to General Electric 1976 in then-largest merger ($2.2 billion). One surviving aunt (Phyllis Wattis) and 8 cousins other than Littlefield hold GE shares worth $1.2 billion.

Weiler

NYC. Jack Weiler, 83, operated in NYC while partner, cousin Ben Swig *(see family)* handled Boston, then San Francisco. Brokered leases for retail chains 1940s, 1950s. Began developing. Now Swig, Weiler & Arnow owns some 5 million sq. ft., mostly NYC; some SF, elsewhere. Swigs bought Weilers' interest in Fairmont Hotel chain for estimated $180 million 1982; families still partners most other holdings. Jack, big Israel giver, spends most of his time on charities; son Alan, 53, company attorney. Son-in-law Robert Arnow, 63, also in business. Weilers lately not as active as the Swigs. Their share family fortune worth $500 million.

Weyerhaeuser

St. Paul, Seattle et al. Frederick (1834-1914) emigrated from Germany at 18, found work in Illinois lumberyard; in panic of 1857 acquired local sawmill; expanded in north, then west. Shrewd purchase of 900,000 acres (1900) from RR magnate James J. Hill for $6 an acre. Soon controlled timberlands from Minnesota to Pacific. Angered Teddy Roosevelt with cut-and-run methods. Conservation-minded grandson John Philip opened land to hunters, fishermen, created

parks, pioneered tree farms. Today Weyerhaeuser, Inc. "Best of S.O.B.s" according to some environmentalists. Family still controls 10% Weyerhaeuser and significant holdings Potlatch, Comshare (banking and investment co.); sold interest in First National Bank of Palm Beach 1986. Family numbers over 200 and still growing. Fortune estimated at least $1 billion.

Whittier

Southern California. Descendants of Mericos H. Whittier, cofounder Belridge Oil; president until death 1925. Sold company to Shell Oil 1979 for $3.6 billion, at time largest takeover ever. Mericos' 4 children, families received $475 million after taxes. Philanthropist Helen Whittier Woodward (d. 1984) donated eye institute to Scripps Foundation, $3 million Asia complex to San Diego Zoo. Surviving brother Paul, 83, board chairman small oil company M.H. Whittier. Proceeds from Belridge sale, other assets, believed now worth $700 million.

Wirtz

Chicago. Son of a Chicago cop, Arthur M. Wirtz (d. 1983) entered real estate scene in the 1920s after U. Michigan. Eye for Depression bargains; eschewed mortgages. With grain speculator Jim Norris (d. 1966), acquired string of teams and arenas, including Madison Square Garden. Antitrust suit 1957 broke up sports empire. Oldest son William, 58, now head of family; ordered to pay $1.53 million damages to Norris' daughter in old stock fraud case. Arthur's 2 sons, 2 daughters share banks, liquor distributors, part-ownership Chicago (hockey) Black Hawks and Bulls, over 50 residential buildings, office buildings, farms, hotel, etc. Believed worth at least $400 million.

Wolfe

Columbus, Ohio, et al. Descendants of brothers Robert F. and Harry P., who accumulated 19th-century fortune selling Wear-U-Well shoes. Bought *Columbus Dispatch* 1905; later, 2 TV and 2 radio stations. Considered for years to be one of Ohio's most powerful families; staunch Republicans. Founders' grandson John W., 59, is kingpin. Local pol: "He just gets stronger and stronger." Also 2.4% stake National City Corp., The Ohio Co. (investment bank), real estate. Grandson Edgar, former publisher *Dispatch*, died in 1975 plane crash. John W. and cousin John F. head 14-member family; fortune estimated at least $575 million.

The total estimated net worth of the family groups on these pages is $70 billion.

Yates

Artesia, N.M. Martin Yates Jr. moved from Missouri, made first major commercial oil strike on New Mexico side of Permian Basin 1921. Family legend: After Martin dug dry holes, wife picked the spot that yielded gusher. Built pipeline, refinery 1920s; sold refinery in Depression. Yates Petroleum started by Martin's sons: Harvey, Saint Clair Peyton (S.P.), Martin III (d. 1985), John. Disastrous mining investments forced Harvey to sell out to brothers 1963; Harvey remade oil fortune solo. Yates Petroleum still N.M.'s oil powerhouse; won messy environmental battle to drill in federal wilderness area 1983. Third generation numbers 10; many active, led by S.P.'s son Peyton. Separately, Harvey Jr. has big stake in publicly held Cibola Energy Corp. S.P.; John and Martin's widow Bitsy share Yates Petroleum, plus other small interests, with reserves worth at least $300 million.

Dropouts

A record number of changes in The Forbes Four Hundred took place in 1987, the Year of the Raging Bull. Of last year's roster, 42 were outdistanced by the rising fortunes of their peers, 8 died, and 30 were removed for other reasons. Total: 80.

Who's gone this year

DIED

Bettingen, Burton Green. Beverly Hills. Estimated $235 million fortune (inheritance) 1986. Died March 1986, mid-70s. Survived by two children and sister Dorothy Green *(which see).*

Carpenter, William Kemble. Boca Raton, Fla. Estimated $240 million fortune (inheritance) 1986. Died Aug. 31, 1987, at age 68. Survived by wife, 3 children, brother Robert R. Carpenter, and sister Irene C. Draper *(see both).*

Faulkner, Mary Belin du Pont. Brookline, Mass. Estimated $200 million fortune (inheritance) 1986. Survived by 6 children.

Ford, Henry II. Palm Beach. Estimated $250 million fortune (Ford Motor) 1986. Died Sept. 29, 1987, age 70. Survived by wife, 3 children.

Kalmanovitz, Paul. Tiburon, Calif. Estimated $250 million fortune (beer, etc.) 1986. Died January 1987, age 81. Survived by wife Lydia *(which see).*

Rains, Liliore Green. Beverly Hills. Estimated $235 million fortune (inheritance) 1986. Died November 1985, age 76. Survived by sister Dorothy Green *(which see).*

Sackler, Arthur Mitchell. NYC. Estimated $190 million fortune (psychiatric research, art) 1986. Died of heart attack May 26, 1987, age 73. Survived by wife, 4 children.

Tyson, Randal William. Fayetteville, Ark. Estimated $275 million fortune (Tyson Foods) 1986. Choked to death November 1986, age 36. Survived by wife Barbara *(which see).*

DECLINED

Boesky, Ivan Frederick. Mount Kisco, N.Y. 50. Estimated $200 million fortune (risk arbitrage) 1986 cut to ribbons by insider trading scandal.

Carpenter, Ben H. Dallas. 63. Estimated $230 million fortune (Southland Financial Corp.) 1986. Stock down 75% since 1986; also hurt by poor Texas real estate market. Net worth now far below cutoff.

Chambers, Raymond George. Morristown, N.J. 45. Estimated $185 million fortune (LBOs) 1986. After charitable contributions in excess of $100 million, net worth falls under minimum.

Clark, Richard Wagstaff (Dick). Malibu, NYC. 57. Estimated $180 million fortune (rock 'n' roll, television) 1986. After dismal public offering of TV company 1987, plus recent setbacks at radio networks, far below cutoff.

Eulich, John Freeman. Dallas. 58. Estimated $200 million fortune (real estate) 1986. Cash flow problems necessitated the restructuring of $2.1 billion in loans 1987. Company seems solid, but Eulich's net worth is reduced, for now.

Johnson, Belton Kleberg. San Antonio. 57. Estimated $190 million fortune (inheritance, ranching) 1986 down somewhat because of Texas woes; also faces divorce settlement.

Lear, Norman Milton. Los Angeles. 65. Estimated $225 million fortune (television) 1986. Reported $112 million divorce settlement with ex-wife Frances (the inspiration for *Maude*) means that Lear's run on The Forbes Four Hundred is canceled.

Levine, Leon. Charlotte, N.C. 50. Estimated $260 million fortune (Family Dollar Stores) 1986. Declining results at company, and resultant family feud, pushed down stock.

Millard, William H. San Vincente, Saipan. 55. Estimated $200 million fortune (ComputerLand) 1986. With continuing legal battles over company ownership, sale of unencumbered 52% stake, net worth below minimum for now.

Spelling, Aaron. Holmby Hills, Calif. 64. Estimated $235 million fortune (television) 1986. As his shows have bombed, so has company stock.

LEFT BEHIND

Beal, Carlton. Midland, Tex. 71. Estimated $200 million fortune in oil 1986. Even with slight oil rebound, uncertainty about his holdings take him off the list.

Benenson, Charles Benjamin. NYC. 74. Estimated $200 million fortune 1986. Benenson's investments remain too well hidden to keep him on in the face of a rising minimum.

Cox, Edwin Lochridge. Dallas. 65. Fortune estimated $200 million (oil) 1986. Rise in value of oil properties believed more than offset by likely exposure to son's problem loans.

Currier, Lavinia M. The Plains, Va. 30. Estimated $200 million fortune (inheritance) 1986. With brother Michael Currier, sister Andrea Patterson *(see below and Currier family)*, still shares fortune estimated at $600 million, but surpassed by rising cutoff.

Currier, Michael S. NYC. 26. Estimated $200 million fortune (inheritance) 1986. *(See sister Lavinia, above, and Currier family.)*

Davis, James Elsworth. Jacksonville, Fla. 80. Estimated $200 million fortune (Winn-Dixie Stores, Inc.) 1986. Surpassed by rising Forbes Four Hundred minimum. *(See Davis family.)*

Davis, Leonard. Palm Beach and NYC. 63. Estimated $200 million fortune (insurance—Colonial Penn Group) 1986, now below rising cutoff.

Dayton, Alida Rockefeller. Minneapolis. 38. Estimated $190 million fortune (inheritance) 1986. With siblings Sandra (Rockefeller) Ferry, Hope Aldrich (Rockefeller) and John D. Rockefeller IV *(see below and Rockefeller family)*, still shares fortune estimated at $760 million. Surpassed by rising minimum.

de Menil, Dominique. Houston. 79. Estimated $200 million fortune (inheritance) 1986. Shares with 5 children fortune estimated at $400 million, but her share surpassed by rising cutoff *(see de Menil family)*.

Donaldson, Evelyn du Pont. Clark, Wyo. 61. Estimated $200 million fortune (inheritance) 1986. With siblings Henry E.I. du Pont, John E. du Pont, Jean E. Sheehan *(see below and du Pont family)*, still jointly worth some $850 million. Surpassed by rising cutoff.

du Pont, Henry Eleuthère Irénée. Wilmington, Del. 59. Estimated $200 million fortune (inheritance) 1986. *(See sister Evelyn Donaldson, above, other du Ponts; see also family.)*

du Pont, John Eleuthère. Newtown Square, Pa. 48. Estimated $200 million fortune (inheritance) 1986. *(See sister Evelyn Donaldson, above, other du Ponts; see also family.)*

Ferry, Sandra (Rockefeller). Cambridge, Mass. 52. Estimated $190 million fortune (inheritance) 1986. *(See sister Alida Rockefeller Dayton, above, other Rockefellers; see also family.)*

Getty, Jean Paul II. 54. London. Estimated $210 million fortune (inheritance) 1986. Surpassed by rising cutoff. *(See Gordon Getty, Getty family.)*

Goldman, Alfred Dreyfus. Honolulu and Oklahoma City. 49. Estimated $200 million fortune (inheritance, real estate) 1986. With much real estate in depressed areas, fortune no longer meets Forbes Four Hundred minimum. With brother Monte *(see below)*, still shares fortune estimated at $400 million. *(See Goldman family.)*

Goldman, Monte Henry. Honolulu and Oklahoma City. 52. Estimated $200 million fortune (inheritance, real estate) 1986. *(See brother Alfred, above; see also family.)*

Gordy, Berry. Los Angeles. 57. Estimated $180 million fortune (Motown Records) 1986. Now that the catalog is out on CD, earnings have peaked. Motown may be worth $150 million, but not more.

Hammer, Armand. LA, NYC. 89. Estimated $180 million fortune (Occidental Petroleum, art) 1986. Amorphous fortune surpassed by rising cutoff.

Hines, Gerald Douglas. Houston. 62. Estimated $200 million fortune (real estate) 1986. Although well diversified, continued Texas real estate exposure prevents his fortune from keeping pace with minimum.

Hulman, Mary Fendrich. Terre Haute, Ind. 82. Estimated $180 million fortune (inheritance) 1986. This year's $225 million minimum drops the checkered flag on Hulman's spin on The Forbes Four Hundred.

Jobs, Steven Paul. Woodside, Calif. 32. Estimated $185 million fortune (Apple Computer) 1986. Sold Apple stake 1986, missed dramatic price rise (retains one share). Fortune no longer merits inclusion in The Forbes Four Hundred.

Johnson, John Harold. Chicago. 69. Estimated $185 million fortune (publishing, cosmetics) 1986 surpassed by rising net worth of The Forbes Four Hundred.

Keck, William Myron II. Los Angeles. 45. Estimated $190 million fortune (Superior Oil inheritance) 1986. Even with modest return, still below this year's minimum.

Kozmetsky, George. Austin, Tex. 70. Estimated $200 million fortune 1986 (Teledyne). Rising minimum narrowly leaves him off the list.

Lunger, Mary Jane du Pont. Wilmington, Del. 73. Estimated $200 million (inheritance) 1986. Didn't keep pace with higher Forbes Four Hundred threshold.

Mellon, Richard Prosser. Ligonier, Pa. 48. Estimated $195 million fortune (inheritance) 1986. With brother Seward Prosser Mellon, sister Cassandra Mellon Milbury *(see below and family)*, still shares in combined family fortune estimated at $600 million. Surpassed by rising minimum net worth needed to make list.

Mellon, Seward Prosser. Ligonier, Pa. 45. Estimated $195 million fortune (inheritance) 1986. *(See brother Richard P. Mellon, above, other Mellons.)*

Milbury, Cassandra Mellon. Ligonier, Pa. 47. Estimated $195 million fortune (inheritance) 1986. *(See brother Richard P. Mellon, above, other Mellons.)*

Muss, Stephen. Miami Beach. 59. Estimated $200 million fortune (real estate) 1986. Wealth surpassed by a rising minimum.

O'Neill, Abby Milton. Oyster Bay, N.Y. 59. Estimated $185 million fortune (inheritance) 1986. Surpassed by Forbes Four Hundred cutoff. *(See Rockefeller family.)*

Palevsky, Max. Beverly Hills. 63. Estimated $200 million fortune (computers) 1986. Net worth eclipsed by higher 1987 minimum.

Patterson, Andrea Currier. The Plains, Va. 31. Estimated $200 million fortune (inheritance) 1986. *(See sister Lavinia Currier, above, and Currier family.)*

Phipps, Howard Jr. Westbury, N.Y. 53. Estimated $200 million fortune (inheritance) 1986. With sister Anne Phipps Sidamon-Eristoff *(see below, and Phipps family)* still shares fortune of $400 million. Surpassed by rising cutoff.

(Rockefeller), Hope Aldrich. Woodstock, Vt. 49. Estimated $190 million fortune (inheritance) 1986. *(See sister Alida Rockefeller Dayton, above, other Rockefellers; see also family.)*

Rockefeller, John Davison IV. Washington, D.C. and Charleston, W.Va. 50. Estimated $190 million fortune (inheritance) 1986. *(See sister Alida Rockefeller Dayton, above, other Rockefellers; see also family.)*

Sheehan, Jean Ellen du Pont. Coral Gables, Fla. 64. Estimated $200 million fortune (inheritance) 1986. *(See sister Evelyn du Pont Donaldson, above, other du Ponts; see also family.)*

Sidamon-Eristoff, Anne Phipps. NYC. 55. Estimated $200 million fortune (inheritance) 1986. *(See brother Howard Phipps Jr. above, and Phipps family.)*

Simplot, John Richard. Boise, Idaho. 78. Estimated $200 million fortune (potatoes) 1986. Although his potato, cattle businesses have bottomed out, vegetable and fertilizer divisions still hurting. No way current valuation is much beyond $200 million.

Smith, Athalie Irvine (Joan). Middleburg, Va. 54. Estimated $200 million fortune (inheritance, lawsuits) 1986. Rising minimum takes her off the list for now. Last-ditch lawsuit versus Donald Bren *(see Billionaires)* now being heard in court.

Sowell, Anne Windfohr. Fort Worth. 48. Estimated $200 million fortune (inheritance) 1986. Value of her Texas ranchland hasn't appreciated enough to keep her among The Forbes Four Hundred.

Stuart, Dwight Lyman. Beverly Hills. 62. Estimated $200 million fortune (inheritance) 1986. Shares $400 million fortune with brother Elbridge Hadley Stuart Jr. *(see below)*. Surpassed by rising cutoff *(see Stuart family)*.

Stuart, Elbridge Hadley Jr. Bellevue, Idaho. 70. Estimated $200 million fortune (inheritance) 1986. *(See brother Dwight Stuart, above, and family.)*

REALIGNED

Bullitt, Dorothy Stimson. 95. Seattle. Estimated $300 million fortune (broadcasting) 1986. Evidence suggests minimal role in running day-to-day business. *(See Bullitt family.)*

Dillon, Clarence Douglas. Far Hills, N.J. 78. Estimated $180 million fortune (investments) 1986. Wealth actually shared with sister Dorothy (Mrs. Eric Eweson).

Galbreath, John Wilmer. Columbus, Ohio. 90. Estimated $200 million fortune (real estate) 1986. It seems control of family fortune has passed to son Daniel Galbreath *(which see)*.

Hendrix, Helen Hunt. NYC. 38. Estimated $200 million fortune (inheritance, oil, real estate) 1986. Fortune realigned to reflect primary control of brother Ray Lee Hunt *(which see, also sisters, mother below)*.

Hunt, Ruth Ray. Dallas. 70. Estimated $200 million fortune (inheritance, oil, real estate) 1986. *(See daughter Helen Hunt Hendrix above, also Ray Hunt.)*

Hunt, Ruth June. Dallas. 43. Estimated $200 million fortune (inheritance, oil, real estate) 1986. *(See sister Helen Hunt Hendrix above, also Ray Hunt.)*

Hunt, Swanee. Denver. 37. Estimated $200 million fortune (inheritance, oil, real estate) 1986. *(See sister Helen Hunt Hendrix above, also Ray Hunt.)*

Shoen, Leonard Samuel. Las Vegas. 71. Estimated $300 million fortune (U-Haul) 1986. Shoen had put stock in children's names. They booted Dad, took control *(see Shoen family)*.

REMOVED

Dempsey, John Cornelius. Delaware, Ohio. 73. Estimated $300 million fortune (bulk shipping containers) 1986. Smaller personal stake than previously believed in Greif Brothers Corp. puts him below the minimum.

Hahn, Ernest Walter. Rancho Santa Fe, Calif. 68. Estimated 1986 fortune of $300 million (shopping centers) was overstated. Actual fortune around $200 million.

Hall, Evelyn Annenberg. Palm Beach. 76. Estimated 1986 fortune $200 million (publishing). Much of stake in Triangle Publications previously donated to foundation, schools. *(See sisters below; see also Annenberg sisters family, brother Walter Annenberg.)*

Haupt, Enid Annenberg. NYC. 81. Estimated 1986 fortune $200 million (publishing). *(See sister Evelyn Hall, above, also brother Walter Annenberg.)*

Hazen, Lita Annenberg. NYC, LA. 78. Estimated 1986 fortune $200 million (publishing). *(See sister Evelyn Hall, above, also brother Walter Annenberg.)*

Hooker, Jeanette Annenberg. Palm Beach. 83. Estimated 1986 fortune $200 million (publishing). *(See Evelyn Hall, above, also Walter Annenberg.)*

Hunt, Lamar. Dallas. 55. Estimated 1986 fortune $250 million (inheritance, oil, sports). Bankruptcy, creditor suit filings reveal unattached assets worth less than previously believed. *(See brothers Bunker, Herbert below, also Hunt brothers family.)*

Hunt, Nelson Bunker. Dallas. 61. Estimated 1986 fortune $400 million (inheritance, oil, real estate). *(See brother Lamar, above, also family.)*

Hunt, William Herbert. Dallas. 58. Estimated 1986 fortune $350 million (inheritance, oil, real estate). *(See brother Lamar above, also family.)*

Norris, Diana Strawbridge. Palm Beach. 45. Estimated $220 million fortune (inheritance) 1986. Further research reveals her shares in Campbell Soup fewer than previously thought. *(See brother George Strawbridge Jr., below, also John Dorrance Jr. and Dorrance Hill Hamilton et al.)*

Simon, Esther Annenberg. NYC. 86. Estimated 1986 fortune $200 million (publishing). *(See sister Evelyn Hall, above, also Walter Annenberg.)*

Strawbridge, George Jr. West Chester, Pa. 48. Estimated $185 million fortune (inheritance) 1986. *(See sister Diana Strawbridge Norris, above, also other Dorrances.)*

Near Misses

Not everybody can be on The Forbes Four Hundred. Here's what it takes to almost be on it.

Next?

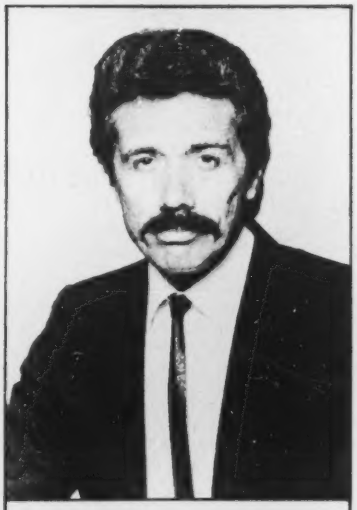
Robert Donald Van Kampen
Bonds, real estate. West Chicago. 48. Married, 3 children. High-powered bond salesman ("They called me The Charger"). Hit on insured tax-exempt unit trusts for small investors 1974. Van Kampen Merritt became industry's third-largest firm, sponsored $9 billion in trusts; sold to Xerox 1984 for $185 million. Held real estate to hedge bond holdings; cofounded VMS Realty 1981. VMS, an aggressive syndicator of tax shelters, now has $6 billion portfolio. Lives on 40-acre estate stocked with wild deer, elk, camels. Devout Christian, credits God for his financial success: "[My beliefs] play a part in everything we do." Net worth exceeds $220 million.

George Leon Argyros
Real estate. Newport Beach, Calif. 50. Married, 3 children. Son of Greek immigrants, raised Pasadena. After college got real estate broker's license 1962; first subdivision 1963. Began building apts. late 1960s. His Arnel Management now Orange County's largest apt. owner: 4,500 units. Also office parks, land. Bought AirCal with William Lyon *(which see)* 1981; turned around, sold at modest profit 1986. Paid $13 million for baseball's Seattle Mariners 1981; since then, team has big leagues' worst record: "I was worth millions until I got involved ... baseball." Deal to buy San Diego Padres flubbed 1987. Net worth should exceed $220 million.

Dean Francis LeBaron
Money management. Brookline, Mass. 54. Divorced, 2 children. Doctor's son, Harvard M.B.A. Equity analyst, fund manager for Boston firms. Founded Batterymarch Financial Management 1969; indexing strategy lured big pension money. Contrarian's contrarian, uses computers to pick stocks: "My idea of future money management is a few senior people and one big machine." Gadget fiend: once kept airplane cockpit simulator in home. Sole owner Batterymarch. Income 1986, $20 million; net worth at least $220 million. "I have some fundamental biases in investing. A lot of them are contained in two books: *The Tao of Physics* and *The Dancing Wu Li Masters.*"

John William Rollins
Entrepreneur. Greenville, Del. and Montego Bay, Jamaica. 71. Twice divorced, remarried; 9 children (1 deceased). Left Georgia farm for construction jobs, milk delivery, etc. Opened Ford dealership with brother Wayne *(which see)*; built car, truck leasing firm, now public RLC Corp. Cleaning chemical trucks eventually led into the hazardous waste treatment business: Rollins Environmental Services spun off 1982. Republican "Big John" elected Delaware lieutenant governor 1952. "I've spent most of my life trying to get away from horse manure." Brothers on some of each other's corporate boards; interests are otherwise separate. With stock, 45,000 Tennessee acres owned in partnership, 6,500-acre Jamaica plantation, worth over $220 million.

Theodore Nathan Lerner
Real estate. Chevy Chase, Md. and Palm Springs. 61. Married, 3 children. Father came to U.S. from Palestine, mother from Europe. After law school 1951, started with $250, sold suburban houses, built subdivisions. Invited to codevelop Wheaton Plaza, D.C. area's first big enclosed shopping center, 1958. Added more malls, including Tysons Corner (since sold), White Flint. Branched into suburban, downtown offices, garden apartments; also much prime land: large new development at Tysons Corner; also 2,000 acres Loudoun County, Va. Many partners, including longtime associate Albert (Sonny) Abramson. Tried to move Baltimore Orioles to D.C. in 1975. Known as tough negotiator. Net



"The Club that beats the streets needs a hand. Yours."

Edward James Olmos

"Lots of kids run into a dead end on the streets. But I got a break that helped me beat the streets. I joined the Boys Club. And that made all the difference in the world.

"Today more than 1,285,000 kids at over 1,100 Boys Clubs across America are beating the streets. Doing something positive with their lives. Because for them the Club is a friend...a gym... a school... a team... a place where they can feel good about themselves. A future.

"Today kids need the Boys Club more than ever. And you can help. Support your local Boys Club. Because the Club that beats the streets needs a hand. Yours!"

BOYS CLUB

worth exceeds $215 million. "I just feel very fortunate."

Ted Mann
Movie theaters. Los Angeles. 64. Divorced, remarried; 2 daughters. Parents were North Dakota homesteaders; Ted raised Minneapolis. Built chain midwestern movie theaters; sold out 1968, retained some land. To LA mid-1960s. Bought 270-theater National General chain for $67 million 1973, including venerable Grauman's Chinese Theater—change to Mann's Chinese not well received. Revamped chain through trades, construction; built up to almost 400 screens. Sold out to Gulf & Western for $245 million 1986. Produced a few movies, including *Brubaker*. Wife is actress Rhonda Fleming. Net worth exceeds $210 million. "What's life without a challenge?"

Martin Toby Sosnoff
Stock market, money management. NYC; New Canaan, Conn.; Nice, France. 55. Divorced, remarried; 4 children. Bronx-born, $40-per-week copy editor 1954, then E.F. Hutton analyst. During spate of money management jobs, formed, folded own firm 1968 (personal portfolio: $500,000). Cofounded Atalanta Capital 1972: Partners split but both kept corporate name. Took public 1986 aided by chum Michael Milken *(which see)*. Author investment books, ex-FORBES and current *New York Post* columnist. Dubbed wife, née Toni Gross, "Comtesse Toni du Mont Alban." Caesars World takeover stalled, but his paper gain to date $100 million. With 58% Atalanta/Sosnoff Capital, stock portfolio, net worth at least $210 million.

Martin Selig
Real estate. Seattle. 50. Married. Claims to own over one-third downtown Seattle office space (5.5 million sq. ft.)—much of it developed in last 8 years. Moved into market with perfect timing: "I think I can say it was an accident. I don't think I can plan that well." Disputes predictions of coming glut in Seattle office space. Deals directly with tenants on contracts. Has reputation for superb building service. Comments local banker: "You can't pry a tenant away once he's moved in." Plans to stick with real estate: "I've started to dip into other areas, but always back out before I actually get my feet wet." Net worth estimated at $210 million.

Robert A. Swanson
Genentech. San Francisco area. 39. Married. Son of aircraft maintenance man, MIT business/chemistry major: "Sputnik got me into science." Stint at Citibank before joining San Francisco venture capital firm Kleiner & Perkins 1975. Persuaded biochemist Herbert Boyer to match his $500 to commercialize recombinant-DNA technology after many beers in tavern 1976. Genentech, premier biotech firm, cloned insulin, human growth hormone, blood-clot dissolver (sales $130 million, capitalization $3.7 billion); $35 stock doubled within minutes of going public 1980. Intense, ultraprivate, vows to build "first major U.S. pharmaceutical concern since World War II." His 6% stake exceeds $200 million.

Richard James Dennis Jr.
Commodities trader. Chicago. 38. Single. School clerk's son. First investment: 10 shares of $3 stock with seventh-grade pals. Worked summers at Chicago Mercantile Exchange for $1.60 an hour. Bought seat at Mid-America with $1,600 borrowed from father. Dubbed "Prince of the Pits" for uncanny speculating ability. With Thomas Dittmer *(which see)* rumored to have set off 1983 soybean crash: "That bean call came to me in Technicolor." Biggest one-day loss: $10 million 1986. Co-owns C&D Commodities, clearing $50 billion in futures annually. Liberal Libertarian: spends $10 million a year countering New Right. Insiders find $200 million "very believable."

Donald Philip Kelly
Beatrice Co. Chicago. 65. Married, 3 children. Raised on Chicago's South Side, World War II torpedo man, insurance clerk. Climbed Swift & Co. ranks, became president of successor firm Esmark 1973. Built rangy conglomerate gulped by food giant Beatrice 1984. Got last laugh, with Kohlberg Kravis Roberts & Co. *(which see)*: largest-ever ($6.2 billion) leveraged buyout, dismemberment of bloated, weakened Beatrice 1986-87 could raise over $10 billion. Observer: "Whatever that Irishman's selling becomes the greatest thing since sliced bread." Chairman E-II Holdings Inc., newly public acquisition vehicle. With 4.7% LBO profits, fees (some $20 million from Beatrice), etc., still under $200 million—for now.

Box Scores

The Forbes Four Hundred don't seem able to keep up with the Dow Joneses. Their combined fortunes add up, by our reckoning, to $220 billion. Since 1982 the S&P 500 is up 167%, but the average net worth among the wealthiest Americans increased by a lesser amount, 139%, over these five years.

Are the rich lousy investors? No, or they wouldn't be rich. Then why aren't their fortunes growing as fast as the stock market? In part because much of their wealth is in real estate, which hasn't increased in value recently as fast as stocks have, or in oil, which has decreased in value.

Okay, but should Sam Walton be allowed to have $8.5 billion at a time when a lot of people struggle for necessities? Suppose you expropriated his shares and divided them among the poorest 20% in the U.S. Each of the poor folks would get shares worth about $170. But how could they "spend" the shares without collapsing their value?

The bottom line is that while the big rich seem to be getting richer they are probably not getting rich faster than most other Americans.

	1982	1983	1984	1985	1986	1987
400 net worth ($bil)	92	118	125	134	156	220
average net worth ($mil)	230	295	315	335	390	550
minimum net worth ($mil)	91	125	150	150	180	225
billionaires	13	15	12	13	26	49
new entries	NA	74	44	64	56	80
women	66	64	69	78	77	55
self-made	134	163	159	165	174	214
inherited	206	194	146	181	168	162
agriculture	9	10	21	16	16	16

	1982	1983	1984	1985	1986	1987
finance	19	53	48	45	59	69
high-tech	4	12	15	12	10	16
oil	70	64	74	64	48	29
real estate	48	48	71	83	59	73
retailing	15	15	19	19	22	18
media	38	62	59	69	58	75
manufacturing	70	105	95	103	92	84
families	41	66	82	78	92	99

Acknowledgments

When someone is worth more than $225 million, it is likely there is someone else who knows it. We gratefully acknowledge here publications and other sources, nationwide, that have contributed to our research. In addition, our thanks to the many more—bankers, lawyers, former executives, financial advisers and the like—who insisted on anonymity. In some cases, their help was the most essential of all.

Air-Conditioning & Refrigeration Institute, Arlington, Va.
Annual Statement Studies, Robert Morris Associates, Philadelphia
Martin Baron, business editor, *Los Angeles Times*
Neil Barsky, real estate reporter, *New York Daily News*
Donald Bauder, business editor, *San Diego Union*
Frederick C. Beaubien, senior vice president, Cushman & Wakefield, Chicago
Michael Bellas, Beverage Marketing Corp., NYC
Richard F. Blackburn, media broker and consultant, Blackburn & Co., Washington, D.C.
Broadcasting/Cable Yearbook, Washington, D.C.
Martin Brower, editor, *Orange County Report* newsletter, Newport Beach, Calif.
R.W. Byram & Co., oil publications, Austin, Tex.
The California Production Record, the Conservation Committee of California Oil Producers, Los Angeles
Douglas W. Classen, Clayton Brown & Associates, Inc., Chicago
Gus Clemens, author of *Legacy: The Story of the Permian Basin Region of West Texas and Southeast New Mexico* (Mulberry Avenue Press).
Kenneth R. Donow, senior analyst, Satellite Systems Engineering, Inc., Bethesda, Md.
Editor & Publisher Yearbook, NYC
Andrew Friedlander, real estate broker, Monroe & Friedlander, Inc., Honolulu
Marc Ganis, president, Sportscorp, Chicago
Larry Gerbrandt, senior analyst, Paul Kagan Associates, Carmel, Calif.
Stephen B. Goldstein, senior v.p., Julien J. Studley Inc., Washington, D.C.
Jane Glenn Haas, staff writer, *Orange County Register*, Santa Ana, Calif.
Nancy Hardy, editor, *Florida Citrus Newsletter*
C.S. Heinbockel, staff writer, *Arkansas Gazette*, Little Rock, Ark.
Charles H. Kadlec, president, Frazier Gross & Kadlec Inc., communications consultants, Washington, D.C.
James B. Kobak, publishing consultant, James B. Kobak & Co., Darien, Conn.
Robert Lacey, author, *Ford: The Men and the Machine* (Little, Brown)
Perrin H. Long Jr., Lipper Analytical Securities Corp., NYC
Patrick Mahn, coauthor, *Daddy's Duchess: The Unauthorized Biography of Doris Duke* (Lyle Stuart)
Steve Mayes, reporter, *The Business Journal*, Portland, Ore.
National Mall Monitor magazine, Clearwater, Fla.
Daniel McNamee, magazine consultant, the McNamee Consulting Co., NYC
Jay Pouzar, sales consultant, Coldwell Banker, Chicago
Professional Builder magazine, Des Plaines, Ill.
Real Estate Data, Inc., NYC
Regardie's magazine, Washington, D.C.
Gerald D. Reilly, newspaper broker and media consultant, Greenwich, Conn.
Rosalind Resnick, business writer, *Miami Herald*
Dave Robinson, reporter, *Buffalo News*
Bill Roenigk, director of economic research, National Broiler Council, Washington, D.C.
Gina Romero, researcher, *Texas Monthly* magazine, Austin, Tex.
Peter Rosenthal, Howard Rubenstein Associates, NYC
Don Schnabel, senior v.p., Julien J. Studley Inc., NYC
Jeremy Shamos, media consultant and attorney, Denver
Alex Sheshunoff, Sheshunoff & Co., bank publications, Austin, Tex.
W.K. Shumpes, ranch broker, Boerne, Tex.
Efrem Sigel, publisher, *Communications Trends*, Larchmont, N.Y.
Anita Sharpe, editor, *Atlanta Business Chronicle*
Michael Sklarz, director of research, Locations Inc., Honolulu
Julien J. Studley, Julien J. Studley Inc., NYC
George Taylor and David Loevner, Room 5600, NYC
Variety, NYC
John R. White, chairman emeritus, Landauer Associates, NYC
Sally White, managing editor, *Lancaster* (S.C.) *News*
Nanette Wiser, Copley News Service, San Diego

Newspaper libraries

Atlanta *Journal & Constitution*
Cleveland Plain Dealer
Los Angeles Times
Orange County Register
San Jose Mercury News
San Francisco Examiner
San Diego Union

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	Page	Residence	Age	Worth ($mil)	Primary sources
A					
Albertson, Joseph Albert	198	Boise	81	$365	Albertson's, Inc.
Alexander, Norman E.	209	Scarsdale, N.Y.	73	315	Printing ink
Alkek, Albert B.☆	209	Victoria, Tex.	76	310	Oil
Allbritton, Joe Lewis	162	Houston	62	575	Media, banking
Allen, Charles Jr.	212	NYC	84	300	Stock market, real estate
Allen, Herbert	212	NYC	79	300	Stock market, real estate
Allen, Herbert Anthony	212	NYC	46	300	Stock market, real estate
Allen, Paul Gardner★	156	Bellevue, Wash.	34	640	Microsoft
Anderson, Robert Orville	219	Roswell, N.M.	70	295	Oil, land
Andreas, Dwayne Orville★	236	Bal Harbour, Fla.; et al.	69	230	Soybeans
Annenberg, Walter Hubert	154	Wynnewood, Pa.	79	650	Publishing
Annenberg sisters	266	NYC, Palm Beach	—	385	Inheritance (publishing)
Anschutz, Philip Frederick	124	Denver	47	1,350	Oil, investments
Ansin, Edmund Newton	220	North Miami	51	280	Broadcasting
Anthony, Barbara Cox	120	Honolulu	64	1,800	Inheritance (Cox Enterprises)
Argyros, George Leon†	312	Newport Beach, Calif.	50	220	Real estate
Arison, Ted	122	Miami Beach	63	1,800	Carnival Cruise Lines
Arrillaga, John★	227	Palo Alto, Calif.	49	250	Real estate
Avery, Alice O'Neill	224	Los Angeles	70	275	Inheritance, real estate
B					
Bainum, Stewart Sr.	232	Silver Spring, Md.	68	250	Manor Care
Bancroft, Christopher☆	239	Denton, Tex.	36	225	Inheritance (Dow Jones)
Bancroft, Hugh III☆	239	Newport Beach, Calif.	38	225	Inheritance (Dow Jones)
Barbey family	266	Calif., et al.	—	540	Inheritance (VF Corp.)
Bass, Edward Perry	152	Fort Worth	42	725	Oil, investments
Bass, Lee Marshall	136	Fort Worth	31	1,000	Oil, investments
Bass, Robert Muse	132	Fort Worth	39	1,200	Oil, investments
Bass, Sid Richardson	136	Fort Worth	44	1,000	Oil, investments
Batten, Frank	190	Virginia Beach	60	400	Publishing, broadcasting
Beal, Carlton●	308	Midland, Tex.	71	—	Oil
Bechtel, Stephen Davison Jr.	190	San Francisco	62	400	Engineering, construction
Bechtel, Stephen Davison Sr.	190	Oakland	87	400	Engineering, construction
Belfer, Arthur Bejer	176	NYC	80	490	Oil, real estate
Belk family	266	Charlotte, N.C.	—	350	Retailing
Belz family	266	Memphis	—	300	Real estate
Benenson, Charles Benjamin●	308	NYC	74	—	Real estate
Bennett, William Gordon	208	Las Vegas	62	325	Circus Circus
Bernhard, Arnold	192	Westport, Conn.	85	390	Value Line, Inc.
Berrie, Russell	184	Englewood, N.J.	54	420	Teddy bears
Berry, Jack Monteith	232	Winter Haven, Fla.	70	250	Citrus grower
Berry, John William Sr.	198	Dayton	65	365	Yellow Pages
Bettingen, Burton Green●	306	Beverly Hills	dec.	—	Inheritance (oil)
Binger, Virginia McKnight	206	Wayzata, Minn.; NYC	71	325	Inheritance (3M)
Blaustein, Morton K.	174	Baltimore	60	500	Inheritance (oil)
Block family	266	Toledo, Pittsburgh	—	425	Newspapers
Bluhm, Neil Gary	184	Winnetka, Ill.	49	400	Real estate
Boesky, Ivan Frederick●	306	Mount Kisco, N.Y.	50	—	Risk arbitrage
Borg, Malcolm Austin	206	Englewood and Spring Lake, N.J.	49	325	Publishing, broadcasting
Bredin, Octavia Mary du Pont	234	Greenville, Del.	74	240	Inheritance (Du Pont)
Bren, Donald Leroy	130	Newport Beach, Calif.	55	1,250	Real estate
Bright, Harvey Roberts (Bum)	160	Dallas	67	600	Oil, real estate, banking, trucking
Bronfman, Edgar Miles	120	NYC	58	1,800	Seagram Co.
Brown, Harold	192	Boston	62	385	Real estate
Brown, Jack E.	194	Midland, Tex.	62	375	Oil, investments
Brown family	266	Louisville	—	630	Whiskey
Buck family●		California, et al.	—	—	Inheritance (oil)
Buffett, Warren Edward	118	Omaha	57	2,100	Stock market
Bullitt, Dorothy Stimson●	310	Seattle	95	—	Broadcasting
Bullitt family	266	Seattle	—	380	Broadcasting
Busch, August Anheuser Jr.	124	St. Louis	88	1,300	Anheuser-Busch
C					
Cabot family	266	Boston area	—	450	Cabot Corp.
Campbell family	268	Hawaii, et al.	—	600	Real estate

★New entry. ☆Returnee. ●Dropout. †Near miss.

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	Page	Residence	Age	Worth ($mil)	Primary sources
Cantor, Bernard Gerald★	238	Beverly Hills, NYC	70	$225	Securities brokerage
Cargill, James R.	205	Minneapolis	64	335	Inheritance (Cargill, Inc.)
Cargill, Margaret	205	La Jolla, Calif.	67	335	Inheritance (Cargill, Inc.)
Cargill family	268	Minneapolis orig.	—	2,000	Inheritance (Cargill, Inc.)
Carlson, Curtis Leroy	156	Minneapolis	73	640	Entrepreneur
Carpenter, Ben H.●	306	Dallas	63	—	Southland Financial Corp.
Carpenter, Robert Ruliph Jr.	227	Montchanin, Del.	72	260	Inheritance (Du Pont)
Carpenter, William Kemble●	306	Boca Raton, Fla.	dec.	—	Inheritance (Du Pont)
Carr, Oliver Taylor Jr.★	238	Washington, D.C.	62	225	Real estate
Caruth, William Walter Jr.	160	Dallas; Crystal River, Fla.	75	600	Real estate
Carver family	268	Muscatine, Iowa	—	300	Rubber
Chambers, Anne Cox	120	Atlanta	67	1,800	Inheritance (Cox Enterprises)
Chambers, Raymond George●	306	Morristown, N.J.	45	—	Leveraged buyouts
Chandler family	268	Los Angeles, et al.	—	2,000	Times Mirror Co.
Chase, David Theodore	216	West Hartford, Conn.	58	300	Real estate, media
Chaus family●		NYC	—	—	Sportswear
Clapp, Norton★	209	Seattle	81	300	Inheritance (Weyerhaeuser), real estate
Clark, Richard Wagstaff (Dick)●	306	Malibu, NYC	57	—	Rock 'n' roll, television
Close family	268	Fort Mill, S.C.	—	360	Textiles
Cohen family	268	NYC area	—	450	Real estate
Cohn, Seymour	190	NYC, Upper Brookville, N.Y.	76	400	Real estate
Colket, Tristram C. Jr.	224	Paoli, Pa.	49	240	Inheritance (Campbell Soup)
Collier, Miles Carnes	170	Naples, Fla.	40	500	Inheritance, investments
Comer, Gary Campbell★	201	Chicago	59	350	Lands' End
Connell, Grover	200	Westfield, N.J.	69	350	Food, equipment leasing
Conover, Catherine Mellon	238	Washington, D.C.	51	225	Inheritance
Cook, Jane Bancroft	148	Cohasset, Mass., Sarasota, Fla.	75	900	Inheritance (Dow Jones)
Cooke, Jack Kent	148	Middleburg, Va.	74	900	Real estate, media, sports
Cooke, Phoebe Hearst	168	Woodside, Calif.	60	250	Inheritance, media
Coors family	271	Golden, Colo.	—	660	Beer
Copeland family●		Delaware, Washington, D.C.	—	—	Inheritance (Du Pont)
Copley, Helen Kinney	164	La Jolla, Calif.	64	550	Publishing
Cotsen, Lloyd Edward★	224	Bel Air, Calif.	58	265	Neutrogena Corp.
Cowles family (Gardner)	271	Des Moines, Minneapolis, NYC	—	730	Newspapers
Cowles family (William)	272	Spokane	—	410	Newspapers, real estate
Cox, John Lee	219	Midland, Tex.	62	300	Oil
Cox, William Coburn Jr.	182	London, Nantucket	56	450	Inheritance (Dow Jones)
Cox, Edwin Lochridge●	308	Dallas	65	—	Oil
Crain, Gertrude Ramsay	216	Wilmette, Ill.	76	300	Publishing
Crow, Fred Trammell	152	Dallas	73	750	Real estate
Crown, Lester	116	Chicago	62	2,100	Inheritance, industrialist
Cullen family	272	Houston	—	1,100	Oil
Culverhouse, Hugh Franklin	228	Tampa	68	250	Real estate, banking
Currier, Lavinia M.●	308	The Plains, Va.	30	—	Inheritance
Currier, Michael S.●	308	NYC	26	—	Inheritance
Currier family	272	The Plains, Va.; NYC	—	600	Inheritance
D					
Danner, Raymond L. ☆	238	Nashville	62	225	Shoney's
Darden, Constance Simons du Pont	234	Norfolk, Va.	83	240	Inheritance (Du Pont)
Davenport, Elizabeth Lupton★	170	Lookout Mountain, Tenn.	54	300	Coca-Cola bottling
Davidowitz, Joseph Morton	234	Lawrence, N.Y.	58	250	Stock market, investment banking
Davidson, William Morse	224	Bloomfield Hills, Mich.	64	270	Guardian Industries Corp.
Davis family	272	Jacksonville, Fla., et al.	—	830	Winn-Dixie Stores
Davis, James Elsworth●	308	Jacksonville, Fla.	80	—	Winn-Dixie Stores
Davis, Leonard●	308	Palm Beach and NYC	63	—	Colonial Penn Group
Davis, Marvin Harold	122	Beverly Hills, Denver	62	1,450	Oil, entertainment, real estate
Davis, Shelby Cullom	190	Tarrytown, N.Y.	78	400	Investment banking
Dayton, Alida Rockefeller●	308	Minneapolis	38	—	Inheritance
Dayton family	272	Minneapolis	—	1,000	Dayton-Hudson
de Menil, Dominique●	308	Houston	79	—	Inheritance
de Menil family	272	Houston, et al	—	400	Inheritance
de Young family	272	San Francisco, et al.	—	450	Newspapers
DeBartolo, Edward John	130	Youngstown, Ohio	69	1,250	Shopping centers
Dedman, Robert Henry	160	Dallas	61	600	Country clubs
Dempsey, John Cornelius●	310	Delaware, Ohio	73	—	Shipping containers

★New entry. ☆Returnee. ●Dropout. †Near miss.

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	Page	Residence	Age	Worth ($mil)	Primary sources
Dennis, Richard James Jr.†	316	Chicago	38	$200	Commodities
Dikeou family	272	Denver; Orlando, Fla.	—	350	Real estate
Dillon, Clarence Douglas●	310	Far Hills, N.J.	78	—	Investments
DiLorenzo family	274	NYC	—	500	Real estate
Disney, Roy Edward	164	Los Angeles	57	560	Walt Disney Co.
Disney family	274	Los Angeles area	—	590	Walt Disney Co.
Dittmer, Thomas Henry	186	Lake Forest, Ill.	45	400	Commodities
Dixon, Fitz Eugene Jr.	180	Lafayette Hill, Pa.	64	450	Inheritance
Dixon, Suzanne Searle	232	Lake Forest, Ill.	56	250	Inheritance (G.D. Searle)
Dolan, Charles Francis	164	Oyster Bay, N.Y.	61	550	Cable television
Donaldson, Evelyn du Pont●	308	Clark, Wyo.	61	—	Inheritance (Du Pont)
Donnelley family	274	Chicago orig.	—	1,350	R.R. Donnelley & Sons
Dorrance, John Thompson Jr.	128	Gladwyne, Pa.	68	1,300	Inheritance (Campbell Soup)
Draper, Irene Carpenter	227	Montchanin, Del.	76	260	Inheritance (Du Pont)
Dreiseszun, Sherman W.	227	Kansas City, Mo.	63	250	Banks, real estate
du Pont, Alexis Felix Jr.	213	Wilmington, Del.	81	300	Inheritance (Du Pont)
du Pont, Helena Allaire Crozer	213	Chesapeake City, Md.	74	300	Inheritance (Du Pont)
du Pont, Henry Eleuthère Irénée●	308	Wilmington, Del.	59	—	Inheritance (Du Pont)
du Pont, Irénée Jr.	234	Montchanin, Del.	67	240	Inheritance (Du Pont)
du Pont, John Eleuthère●	308	Newtown Square, Pa.	48	—	Inheritance (Du Pont)
du Pont, Pierre Samuel III	216	Rockland, Del.	76	300	Inheritance (Du Pont)
du Pont, Willis Harrington	216	Palm Beach	51	300	Inheritance (Du Pont)
du Pont family (Henry)●	—	Del., Pa., Conn.	—	—	Inheritance (Du Pont)
du Pont family (Pierre Samuel II)	274	Wilmington, Del., et al.	—	2,000	Inheritance (Du Pont)
du Pont family (William)	278	Wilmington, Del., et al.	—	850	Inheritance (Du Pont)
Duchossois, Richard Louis	198	Barrington, Ill.	66	350	Manufacturing
Duda family	274	Oviedo, Fla.	—	550	Agriculture
Duke, Doris	148	Somerville, N.J., et al.	74	875	Inheritance
Durst, David M.	213	Chappaqua, N.Y.	62	300	Real estate
Durst, Royal H.	213	Westchester County, N.Y.	68	300	Real estate
Durst, Seymour B.	213	NYC	74	300	Real estate
Dyson, Charles Henry	166	NYC	78	550	Conglomerator
E					
Edson, John Orin★	182	Seattle	54	450	Leisure craft
Ellis, Alpheus Lee	232	Tarpon Springs, Fla.	81	250	Banking, real estate
Ellison, Lawrence J.★	234	Atherton, Calif.	43	245	Oracle Corp.
Engelhard, Jane B.	198	Far Hills, N.J.	69	365	Inheritance
Eulich, John Freeman●	306	Dallas	58	—	Real estate
Evans, James Emmett	218	Dade City, Fla.	87	300	Citrus grower
Evans, Thomas Mellon	204	NYC	77	345	Investments
F					
Faulkner, Mary Belin du Pont●	306	Brookline, Mass.	dec.	—	Inheritance (Du Pont)
Ferry, Sandra (Rockefeller)●	308	Cambridge, Mass.	52	—	Inheritance
Fickling, William Arthur Jr.	205	Macon, Ga.	55	345	Charter Medical Corp.
Field, Frederick Woodruff	183	Beverly Hills	35	400	Inheritance, media
Field, Marshall V	183	Lake Forest, Ill.	46	425	Inheritance, real estate, media
Fireman, Paul	182	Newton, Mass.	43	435	Reebok
Fisher, Donald George	164	San Francisco	59	575	The Gap
Fisher (Lawrence) family●	—	Detroit area, Palm Beach	—	—	Inheritance (Fisher Body)
Fisher, Lawrence	186	NYC	78	400	Real estate
Fisher, Max Martin	228	Detroit, NYC, Palm Beach	79	250	Oil, investments
Fisher, Zachary	186	NYC	77	400	Real estate
Fisher (Oliver) family	278	Seattle et al.	—	420	Lumber
Fleischer, Ernest Melvin★	208	Kansas City, Mo.	54	320	Franklin Savings Association
Flint, Lucile Evelina du Pont	234	Greenville, Del.	72	240	Inheritance (Du Pont)
Forbes, Malcolm Stevenson	176	Far Hills, N.J.	68	(p. 176)	Inheritance, publishing
Ford, Henry II●	306	Palm Beach	dec.	—	Inheritance (Ford Motor Co.)
Ford, Josephine Clay	146	Grosse Point Farms, Mich.	64	475	Inheritance (Ford Motor Co.)
Ford, William Clay	146	Grosse Point Shores, Mich.	62	900	Inheritance (Ford Motor Co.)
Frankino, Samuel Joseph☆	201	Palm Beach	63	350	Agency Rent-A-Car
Fribourg, Michel	152	NYC	74	700	Grain trader
Furst, Austin Owen Jr.	236	New Canaan, Conn.	44	230	Vestron

★New entry ☆Returnee ●Dropout †Near miss

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	Page	Residence	Age	Worth ($mil)	Primary sources
G					
Galbreath, Daniel Mauck	201	Columbus, Ohio	59	$350	Real estate
Galbreath, John Wilmer●	310	Columbus, Ohio	90	—	Real estate
Galesi, Francesco	232	NYC	56	250	Real estate
Gallo, Ernest	183	Modesto, Calif.	78	425	Wine
Gallo, Julio	183	Modesto, Calif.	77	425	Wine
Garvey family●	—	Wichita, et al.	—	—	Inheritance
Galvin, Robert William	160	Barrington Hills, Ill.	65	600	Motorola
Gates, Charles Cassius Jr.	220	Denver	66	280	Gates Corp.
Gates, William Henry III	130	Seattle	31	1,250	Microsoft
Gaylord, Edward Lewis	132	Oklahoma City	68	1,150	Broadcasting, publishing, real estate
Getty, Gordon Peter	200	San Francisco	53	350	Inheritance (oil)
Getty, Jean Paul II●	308	London	54	—	Inheritance
Getty family	278	California, London, et al.	—	3,000	Oil
Glazer, Guilford★	227	Beverly Hills	66	250	Real estate
Goldman, Alfred Dreyfus●	308	Honolulu and Oklahoma City	49	—	Inheritance, real estate
Goldman, Monte Henry●	308	Honolulu and Oklahoma City	52	—	Inheritance, real estate
Goldman, Sol	134	NYC	70	1,100	Real estate
Goldman family	278	Honolulu, Colorado, et al.	—	400	Real estate
Goodson, Mark	194	NYC	72	375	Game shows, newspapers
Gordy, Berry●	308	Los Angeles	57	—	Motown Records
Gottwald, Bruce Cobb★	209	Richmond, Va.	54	310	Ethyl Corp.
Gottwald, Floyd Dewey Jr.★	209	Richmond, Va.	65	310	Ethyl Corp.
Graham, Katharine	148	Washington, D.C.	70	875	Washington Post Co.
Green, Dorothy	235	Beverly Hills	Late 70s	240	Inheritance (oil)
Green, Pincus	150	Zug, Switzerland	53	750	Commodities trader
Greenberg, Maurice Raymond	218	NYC	62	300	American International Group
Greenewalt, Margaretta Lammot du Pont	234	Greenville, Del.	85	240	Inheritance (Du Pont)
Griffin, Ben Hill Jr.	232	Avon Park, Fla.	76	250	Citrus grower
Griffin, Mervyn Edward	213	Beverly Hills, et al.	62	300	Television
Gruss, Joseph S.★	184	NYC	84	400	Oil, investments
Guccione, Robert Charles	202	NYC	55	350	Publishing
Gund family	278	Cleveland orig.	—	870	Inheritance
H					
Haas, Fritz Otto★	176	Ambler, Pa.	71	500	Rohm & Haas Co.
Haas, John Charles★	176	Villanova, Pa.	68	500	Rohm & Haas Co.
Haas family	278	San Francisco	—	1,200	Levi Strauss & Co.
Haft, Herbert Herman★	240	Washington, D.C.	67	225	Retailing, real estate, greenmail
Haft, Robert Michael★	240	Washington, D.C.	34	225	Retailing, real estate, greenmail
Hahn, Ernest Walter●	310	Rancho Santa Fe, Calif.	68	—	Shopping centers
Hall, Donald Joyce	166	Mission Hills, Kans.	59	550	Hallmark Cards
Hall, Evelyn Annenberg●	310	Palm Beach, Fla.	76	—	Inheritance (publishing)
Hamilton, Dorrance Hill (Dodo)	224	Strafford, Pa.	59	290	Inheritance (Campbell Soup)
Hammer, Armand●	308	Los Angeles and NYC	89	—	Occidental Petroleum, art
Hammons, John Quentin★	238	Springfield, Mo.	64	225	Holiday Inns
Harbert, John Murdoch III	154	Birmingham, Ala.	65	650	Construction, investments
Hardie, Mary Jane Hoiles★	216	Marysville, Calif.	65	300	Newspapers
Haupt, Enid Annenberg●	310	NYC	81	—	Inheritance (publishing)
Hazen, Lita Annenberg●	310	NYC, Los Angeles	78	—	Inheritance (publishing)
Hearst, George Randolph Jr.	168	Los Angeles	60	250	Inheritance, media
Hearst, Hope Chandler	168	Beverly Hills	66	500	Inheritance, media
Hearst, Randolph Apperson	168	Hillsborough, Calif.	71	500	Inheritance, media
Hearst, William Randolph Jr.	168	NYC	79	500	Inheritance, media
Hearst family (John Randolph)	281	California, NYC area, et al.	—	500	Inheritance, media
Hechinger family	281	Washington, D.C.	—	360	Building supplies
Heinz, Henry John III	192	Fox Chapel, Pa.; Washington, D.C.	48	380	H.J. Heinz Co.
Helmsley, Harry Brakmann	124	NYC, Greenwich, Conn.	78	1,400	Real estate
Hendrix, Helen Hunt●	310	NYC	38	—	Inheritance, oil, real estate
Hess, Leon	156	NYC, Deal, N.J.	73	625	Amerada Hess Corp.
Hewlett, William Redington	124	Portola Valley, Calif.	74	1,450	Hewlett-Packard
Hill, Margaret Hunt	134	Dallas	72	1,100	Inheritance, oil, real estate
Hillenbrand family	281	Batesville, Ind., et al.	—	665	Caskets
Hillman, Henry Lea	122	Pittsburgh	68	1,500	Industrialist, venture capitalist
Hines, Gerald Douglas●	308	Houston	62	—	Real estate
Hobby, Oveta Culp	150	Houston	82	800	Media

★New entry ☆Returnee ●Dropout †Near miss

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	Page	Residence	Age	Worth ($mil)	Primary sources
Hoiles, Harry Howard★	216	Santa Ana, Calif.	71	$300	Newspapers
Hoiles family (Clarence)	281	California et al.	—	300	Newspapers
Hooker, Jeanette Annenberg●	310	Palm Beach	83	—	Inheritance (publishing)
Horvitz family	281	Cleveland, Hollywood, Fla.	—	650	Media, real estate
Hostetter, Amos Barr Jr.★	238	Boston	50	225	Cable TV
Houghton family	281	Corning, N.Y.	—	470	Corning Glass Works
Howard, Robert Staples	190	Rancho Santa Fe, Calif.	62	400	Publishing
Hoyt family	284	NYC area and Santa Fe, N.M.	—	350	Carter-Wallace
Hubbard, Stanley Stub	184	St. Mary's Point, Minn.	54	425	Broadcasting
Huffington, Roy Michael	200	Houston	69	350	Oil
Hulman, Mary Fendrich●	308	Terre Haute, Ind.	82	—	Inheritance
Hunt, Caroline Rose	146	Dallas	64	900	Inheritance, oil, real estate
Hunt, Johnnie Bryan★	235	Springdale, Ark.	60	240	Trucking
Hunt, Lamar●	310	Dallas	55	—	Inheritance, oil, real estate
Hunt, Nelson Bunker●	310	Dallas	61	—	Inheritance, oil, real estate
Hunt, Ray Lee	128	Dallas	44	1,300	Inheritance, oil, real estate
Hunt, Ruth June●	310	Dallas	43	—	Inheritance, oil, real estate
Hunt, Ruth Ray●	310	Dallas	70	—	Inheritance, oil, real estate
Hunt, Swanee●	310	Denver	37	—	Inheritance, oil, real estate
Hunt, William Herbert●	310	Dallas	58	—	Inheritance, oil, real estate
Hunt brothers	284	Dallas	—	300	Inheritance, oil, real estate
Hunting family	284	Grand Rapids	—	1,000	Steelcase
J					
Icahn, Carl Celian★	168	Westchester County, N.Y.	51	525	Financier
Idema family	284	Grand Rapids	—	1,000	Steelcase

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J					
Jacobs, David H.★	204	Bay Village, Ohio	66	$245	Shopping centers
Jacobs, Irwin Lawrence	228	Minneapolis	46	250	Investments, takeovers
Jacobs, Jeremy Maurice★	186	East Aurora, N.Y.	48	400	Sports concessions
Jacobs, Richard E.★	204	Lakewood, Ohio; NYC	62	345	Shopping centers
Jobs, Steven Paul●	308	Woodside, Calif.	32	—	Apple Computer
Johnson, Barbara Piasecka	182	Princeton, N.J.	50	450	Inheritance
Johnson, Belton Kleberg●	306	San Antonio	57	—	Inheritance, ranching
Johnson, Edward Crosby III	160	Boston	57	600	Money management
Johnson family	284	Scattered	—	680	Inheritance (Johnson & Johnson)
Johnson, John Harold●	308	Chicago	69	—	Publishing
Johnson, Samuel Curtis	160	Racine, Wis.	59	600	S.C. Johnson & Son
Jordan family	284	Boston orig.	—	720	Retailing, publishing
K					
Kalikow, Peter Stephen	180	NYC	44	450	Real estate
Kalmanovitz, Lydia★	228	Tiburon, Calif.	83	250	Inheritance (beer, real estate)
Kalmanovitz, Paul●	306	Tiburon, Calif.	dec.	—	Beer, real estate
Kaskel, Howard	188	NYC	50	400	Real estate
Kauffman, Ewing Marion	128	Mission Hills, Kans.	71	1,300	Marion Laboratories
Kavadas, Kathryn Bancroft☆	239	Waban, Mass.	35	225	Inheritance (Dow Jones)
Keck, Howard Brighton	218	Los Angeles	74	300	Superior Oil Co.
Keck, William Myron II●	308	Los Angeles	45	—	Inheritance (Superior Oil)
Keinath, Pauline MacMillan	239	Unknown	53	225	Inheritance (Cargill, Inc.)
Kelley family	286	Honolulu	—	350	Hotels
Kelly, Donald Philip†	316	Chicago	65	199	Beatrice Co.
Kelly, William Russell	178	Troy, Mich.	82	490	Kelly Services
Kennedy family	286	Boston orig.	—	600	Inheritance

★New entry ☆Returnee ●Dropout †Near miss

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Kerkorian, Kirk	146	Los Angeles, Las Vegas	70	$950	Investments
King family	286	Short Hills, N.J.; NYC; Malibu, et al.	—	360	King World Productions
Kleberg family	286	King Ranch, Tex.	—	1,000	Inheritance, oil
Klink, Bettina☆	239	Los Angeles	46	225	Inheritance (Dow Jones)
Kluge, John Werner	114	Charlottesville, Va.	73	3,000	Metromedia
Knight, James Landon	205	Bal Harbour, Fla.	78	335	Knight-Ridder, Inc.
Knight, Philip Hampson	204	Hillsboro, Ore.	49	345	Nike, Inc.
Koch, Charles de Ganahl	148	Wichita, Kans.	51	850	Oil services
Koch, David Hamilton	148	NYC	47	850	Oil services
Koch, Frederick Robinson	166	NYC	54	375	Oil services
Koch, William Ingraham	166	Boston	47	550	Oil services
Kohlberg, Jerome Jr.	204	Mt. Kisco, N.Y.	62	345	Leveraged buyouts
Kohler family	286	Kohler, Wis. origin	—	300	Plumbing fixtures
Koll, Donald Michael★	213	Newport Beach, Calif.	54	300	Real estate
Kozmetsky, George●	308	Austin, Tex.	70	—	Teledyne
Kravis, Henry R.	204	NYC	43	345	Leveraged buyouts
Krehbiel, John Hammond Sr.	206	Downers Grove, Ill.	81	335	Molex, Inc.
Kroc, Joan Beverly	137	La Jolla, Calif.	59	1,000	Inheritance (McDonald's)
L					
Laird family●	—	Delaware area	—	—	Inheritance (Du Pont)
Landegger family	286	NYC, London, et al.	—	330	Paper mills
Lauder, Estée	182	NYC	"69"	433	Cosmetics
Lauder, Leonard Alan	182	NYC	54	433	Cosmetics
Lauder, Ronald Steven	182	NYC	43	433	Cosmetics
Lauren, Ralph	200	NYC, et al.	48	350	Apparel
Lawrence, M. Larry	228	San Diego, et al.	61	250	Real estate
Lawrence family	288	NYC area	—	400	Inheritance (real estate)
Lear, Norman Milton●	306	Los Angeles	65	—	Television
LeBaron, Dean Francis†	312	Brookline, Mass.	54	220	Money management
LeBow, Bennett Stephen★	235	Essex County, N.J.	49	235	Buyouts
LeFrak, Samuel Jayson	132	NYC	69	1,200	Real estate
Lerner, Theodore Nathan†	312	Chevy Chase, Md.	61	215	Real estate
Levine, Leon●	308	Charlotte, N.C.	50	—	Family Dollar Stores
Lilly family	288	Indianapolis, et al.	—	1,500	Pharmaceuticals
Lindner, Carl Henry II	137	Cincinnati	68	1,000	Insurance, banking
Littlefield, Edmund Wattis★	234	Burlingame, Calif.	73	245	Utah International
Litwin, Leonard	239	NYC	Early 70s	225	Real estate
Louis, John Jeffry Jr.	184	Winnetka, Ill.	62	410	Inheritance (Johnson Wax)
Ludwig, Daniel Keith	170	NYC	90	500	Shipping, real estate
Lunger, Mary Jane du Pont●	308	Wilmington, Del.	73	—	Inheritance (Du Pont)
Lupton, John Thomas	170	Chattanooga, Tenn.	61	500	Coca-Cola bottling
Lurie, Robert Alfred	201	San Francisco	58	350	Inheritance, real estate
Lurie, Robert Harris	206	Chicago	45	330	Real estate, investments
Lusk, John David★	236	Newport Beach, Calif.	79	225	Real estate
Lykes family	288	Florida orig.; New Orleans, et al.	—	1,000	Shipping
Lyon, William★	238	Newport Beach, Calif.	64	225	Real estate
M					
MacElree, Jane Cox	182	Newtown Square, Pa.	58	450	Inheritance (Dow Jones)
Mack family	288	NYC area	—	450	Real estate
MacMillan, Cargill Jr.	239	Minneapolis	60	225	Inheritance (Cargill, Inc.)
MacMillan, John Hugh III	239	Hillsboro Beach, Fla.	59	225	Inheritance (Cargill, Inc.)
MacMillan, Whitney	239	Minneapolis	58	225	Inheritance (Cargill, Inc.)
MacMillan, W. Duncan	239	Wayzata, Minn.	57	225	Inheritance (Cargill, Inc.)
MacMillan family	268	Minneapolis orig.	—	2,000	Inheritance (Cargill, Inc.)
Magness, Bob John	152	Englewood, Colo.	63	740	Cable TV
Malkin, Judd David	184	Winnetka, Ill.	49	400	Real estate
Mandel, Jack N.☆	235	Shaker Heights, Ohio	76	240	Premier Industrial Corp.
Mandel, Joseph C.☆	235	Lyndhurst, Ohio	73	240	Premier Industrial Corp.
Mandel, Morton Leon☆	235	Shaker Heights, Ohio	66	240	Premier Industrial Corp.
Mann, Ted†	316	Los Angeles	64	210	Movie theaters
Manoogian, Alex☆	168	Grosse Pointe Farms, Mich.	86	250	Masco Corp.
Manoogian, Richard Alexander★	168	Grosse Pointe Farms, Mich.	51	530	Masco Corp.
Markkula, Armas Clifford Jr.☆	178	Woodside, Calif.	45	470	Apple Computer
Marriott, Alice Sheets	198	Washington, D.C.	80	350	Inheritance (Marriott Corp.)

★New entry ☆Returnee ●Dropout †Near miss

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Marriott, John Willard Jr.	198	Chevy Chase, Md.	55	$350	Inheritance (Marriott Corp.)
Marriott, Richard Edwin	198	Potomac, Md.	48	350	Inheritance (Marriott Corp.)
Mars, Forrest Edward Jr.	132	McLean, Va.	56	1,150	Candy
Mars, Forrest Edward Sr.	132	Las Vegas	80s	1,150	Candy
Mars, John Franklyn	132	Arlington, Va.	53	1,150	Candy
Marshall, Barbara Hall	166	Kansas City, Mo.	64	275	Inheritance (Hallmark Cards)
Marx, Leonard Maximilian	219	Scarsdale, N.Y.	83	300	Real estate
May, Cordelia Scaife	184	Ligonier, Pa.	59	400	Inheritance
May, Irene Sophie du Pont	234	Wilmington, Del.	86	240	Inheritance (Du Pont)
McCaw, Bruce R.★	209	Seattle	41	315	McCaw Cellular Communications
McCaw, Craig O.★	209	Seattle	38	315	McCaw Cellular Communications
McCaw, John Elroy Jr.★	209	Seattle	36	315	McCaw Cellular Communications
McCaw, Keith W.★	209	Seattle	34	315	McCaw Cellular Communications
McClatchy family	288	Sacramento, Calif.; et al.	—	550	Newspapers
McDonnell family	288	St Louis	—	400	McDonnell Douglas
McGovern, Patrick Joseph	208	Nashua, N.H.	50	320	Publishing
McGraw family	288	NYC et al.	—	840	McGraw-Hill
Mead family	290	Wisconsin Rapids	—	640	Consolidated Papers Inc.
Mellon, Paul	148	Upperville, Va.	80	850	Inheritance
Mellon, Richard Prosser●	308	Ligonier, Pa.	48	—	Inheritance
Mellon, Seward Prosser●	308	Ligonier, Pa.	45	—	Inheritance
Mellon, Timothy	238	Manchester, N.H. area	45	225	Inheritance
Mellon family (Richard K.)	290	Ligonier, Pa.	—	600	Inheritance, banking
Mendik, Bernard H.	215	NYC	58	300	Real estate
Meyer, August Christopher	194	Champaign, Ill.	86	375	Broadcasting
Milbury, Cassandra Mellon●	308	Ligonier, Pa.	47	—	Inheritance
Milken, Michael Robert	160	Encino, Calif.	41	600	Financier
Millard, William H.●	308	San Vincente, Saipan	55	—	ComputerLand
Milliken, Gerrish Hill	154	Greenwich, Conn.	70	650	Textiles, investments
Milliken, Minot King	154	NYC	71	325	Textiles, investments
Milliken, Roger	137	Spartanburg, S.C.	71	1,000	Textiles, investments
Mills, Alice Francis du Pont	213	Middleburg, Va.	74	300	Inheritance (Du Pont)
Milstein, Monroe Gary	228	Burlington, N.J.	60	250	Burlington Coat Factory Warehouse
Milstein, Paul	213	NYC; Scarsdale, N.Y.	65	300	Real estate, investments
Milstein, Seymour	213	NYC; Scarsdale, N.Y.	67	300	Real estate, investments
Mitchell, George Phydias	178	Houston	68	470	Oil, real estate
Monaghan, Thomas Stephen	215	Ann Arbor, Mich.	50	300	Pizza
Moncrief, William Alvin Jr.	215	Fort Worth	67	300	Oil
Mondry family●	—	Dearborn, Mich.	—	—	Highland Superstores
Moody, Robert Lee	174	Galveston, Tex.	52	500	American National Insurance
Moore, Gordon Earle☆	178	Santa Clara County, Calif.	58	465	Intel Corp.
Moore, Jerry J.	166	Houston	59	550	Shopping centers
Morgan, Frank Sherman	227	Kansas City, Mo.	60	250	Banks, real estate
Morris, William Shivers III	201	Augusta, Ga.	53	350	Newspapers
Mott family●	—	Flint, Mich.	—	—	Inheritance
Mugar, David Graves★	220	Boston	48	285	Inheritance, broadcasting
Murdoch, Keith Rupert	118	NYC, London	56	2,100	News Corp.
Murdock, David Howard	150	Bel Air, Calif.	64	800	Investments
Murphy family	290	El Dorado, Ark.	—	600	Oil
Muss, Stephen●	308	Miami Beach	59	—	Real estate
N					
Naify, Marshall★	176	San Francisco	67	500	Movie theaters, cable TV
Naify, Robert Allen★	176	San Francisco	65	500	Movie theaters, cable TV
Newhouse, Donald Edward	116	NYC	58	2,350	Publishing
Newhouse, Samuel Irving Jr.	116	NYC	59	2,350	Publishing
Nichols, Miller	206	Prairie Village, Kans.	76	325	Real estate
Nielsen, Arthur Charles Jr.	209	Winnetka, Ill.	68	315	A.C. Nielsen Co.
Nordstrom family	290	Seattle	—	1,200	Retailing
Norris, Diana Strawbridge●	310	Palm Beach	45	—	Inheritance (Campbell Soup)
O					
O'Connor family	290	Victoria, Tex.	—	500	Inheritance, oil
Olsen, Kenneth Harry	176	Lincoln, Mass.	61	490	Digital Equipment Corp.
O'Neill, Abby Milton●	310	Oyster Bay, N.Y.	59	—	Inheritance
O'Neill, Richard Jerome	224	San Juan Capistrano, Calif.	64	275	Inheritance, real estate
Ordway family	290	St. Paul orig.	—	400	Inheritance (3M)
Ottaway, James Haller Sr.☆	227	Campbell Hall, N.Y.	76	255	Newspapers

★New entry ☆Returnee ●Dropout †Near miss

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P					
Packard, David	116	Los Altos Hills, Calif.	75	$2,870	Hewlett-Packard
Palevsky, Max●	310	Beverly Hills	63	—	Computers
Paley, William S.	180	NYC; Southampton, N.Y.	86	450	CBS
Pamplin, Robert Boisseau★	234	Portland, Ore.	75	250	Textiles
Park, Roy Hampton	166	Ithaca, N.Y.	77	550	Park Communications
Parker, Jack	201	NYC; Boca Raton, Fla.	72	350	Real estate
Patterson, Andrea Currier●	310	The Plains, Va.	31	—	Inheritance
Paulson, Allen Eugene	235	Savannah, Ga.; Sanford, Fla.	65	240	Gulfstream Aerospace Corp.
Paulucci, Luigino Francesco	170	Duluth, Minn.	69	500	Food processing, real estate
Paxson, Lowell W.	162	Clearwater, Fla.	52	385	Home Shopping Network
Pearson, Edith du Pont	216	Montchanin, Del.	75	300	Inheritance (Du Pont)
Peery, Richard Taylor★	227	Palo Alto, Calif.	48	250	Real estate
Pennington, Claude B.	186	Baton Rouge, La.	86	400	Oil, gas
Pennington, William Norman	208	Reno, Nev.	64	325	Circus Circus
Perdue, Franklin Parsons	174	Salisbury, Md.	67	500	Chickens
Perelman, Ronald Owen★	216	NYC	44	300	Leveraged buyouts
Perenchio, Andrew Jerrold	186	Bel Air, Calif.	56	400	Television
Perot, Henry Ross	116	Dallas	57	2,900	Electronic Data Systems
Petersen, Robert Einar	208	Beverly Hills	60	325	Publishing
Petrie, Milton Jack	128	NYC	85	1,300	Petrie Stores
Pew family	290	Philadelphia orig.	—	380	Inheritance, oil
Phipps, Howard Jr.●	310	Westbury, N.Y.	53	—	Inheritance
Phipps family	290	Pittsburgh orig.	—	1,900	Inheritance (steel)
Pictet, Marion MacMillan	239	Geneva, Switzerland	54	225	Inheritance (Cargill, Inc.)
Pigott family	292	Seattle	—	615	Inheritance (Paccar)
Pitcairn family	292	Bryn Athyn, Pa.; et al.	—	650	Inheritance (Libbey-Owens-Ford)
Pogue, Alfred Mack	218	Dallas	53	300	Real estate
Pohlad, Carl Ray	164	Minneapolis	72	550	Banks, investments
Pontikes, Kenneth Nicholas☆	219	Barrington, Ill.	47	295	Computer leasing
Price, Sol☆	206	La Jolla, Calif.	71	325	The Price Co.
Pritzker, Jay Arthur	120	Chicago	65	1,900	Financier
Pritzker, Robert Alan	120	Chicago	61	1,900	Financier
Pulitzer family	292	St. Louis; et al.	—	520	Inheritance (publishing)
Pulliam, Eugene Smith☆	156	Indianapolis; Scottsdale, Ariz.	73	650	Newspapers
R					
Rains, Liliore Green●	306	Beverly Hills	dec.	—	Inheritance (oil)
Rainwater, Richard Edward★	236	Fort Worth; Nantucket	43	225	Investments
Redstone, Sumner Murray	166	Newton Centre, Mass.	64	535	Movie theaters, investments
Reed family●	—	Seattle, et al.	—	—	Inheritance (timber)
Reid, Elizabeth Ann	166	Denton, Tex.	66	275	Inheritance (Hallmark Cards)
Resnick, Burton Paul☆	190	Rye, N.Y.	50	400	Real estate
Reynolds, Donald Worthington	154	Las Vegas	81	700	Publishing, cable TV
Rich, Marc	150	Zug, Switzerland	53	750	Commodities trader
Rich, Robert Sr.	180	Point Abino, Ont.; Palm Beach	74	450	Food products
Richardson family	292	Greensboro, N.C.; et al.	—	500	Inheritance (Richardson-Vicks)
Rinker, Marshall Edison (Doc)	188	Palm Beach, Fla.	82	400	Cement
Roberts, George R.	204	San Francisco	44	345	Leveraged buyouts
Robinson, Jesse Mack★	224	Atlanta	64	275	Banking
Rock, Arthur J.☆	240	San Francisco	61	225	Venture capitalist
Rockefeller, David	136	NYC; Tarrytown, N.Y.	72	1,000	Inheritance, banking, real estate
(Rockefeller), Hope Aldrich●	310	Woodstock, Vt.	49	—	Inheritance
Rockefeller, John Davison IV●	310	Wash., D.C.; Charleston, W.Va.	50	—	Inheritance
Rockefeller, Laurance Spelman	146	NYC; Tarrytown, N.Y.	77	900	Inheritance, investments
Rockefeller, Winthrop Paul	152	Winrock Farm, Ark.	39	750	Inheritance
Rockefeller family	292	Scattered	—	2,000	Inheritance (oil)
Rockefeller (William) family	292	Scattered	—	350	Inheritance (oil)
Rollins, John William‡	312	Greenville, Del.	71	220	Entrepreneur
Rollins, Orville Wayne	150	Atlanta	75	815	Entrepreneur
Root, Chapman Shaw	236	Ormond Beach, Fla.	62	230	Coca-Cola bottling, broadcasting
Rose family	296	NYC	—	350	Real estate
Rosenberg, Ruth Blaustein	174	Baltimore	88	250	Inheritance (oil)
Rosenwald family	296	Philadelphia, NYC, et al.	—	300	Inheritance (Sears, Roebuck)
Rudin, Jack	154	NYC	63	700	Real estate
Rudin, Lewis	154	NYC	60	700	Real estate
Rust, Eleanor Francis du Pont	234	Thomasville, Ga.	80	240	Inheritance (Du Pont)
Ryan, Patrick George	236	Chicago	50	230	Insurance

★New entry ☆Returnee ●Dropout ‡Near miss

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	Page	Residence	Age	Worth ($mil)	Primary sources
S					
Sackler, Arthur Mitchell●	306	NYC	dec.	—	Psychiatric research, art
Sarofim, Fayez Shalaby★	212	Houston	58	$300	Money management
Scaife, Richard Mellon	164	Shadyside, Pa.	55	550	Inheritance, publishing
Scharbauer, Clarence Jr.	240	Midland, Tex.	62	225	Inheritance (oil, land)
Schnitzer family	296	Portland, Ore.; Palm Springs	—	300	Steel, shipping, real estate
Scripps (E.W.) family	296	Cincinnati orig.	—	2,000	Inheritance (newspapers)
Scripps (J.E.) family	296	Detroit area, et al.	—	750	Inheritance (newspapers)
Searle, Daniel Crow	232	Winnetka, Ill.	61	250	Inheritance (G.D. Searle)
Searle, William Louis	232	Lake Forest, Ill.	59	250	Inheritance (G.D. Searle)
Segerstrom family	296	Orange County, Calif.	—	400	Real estate
Selig, Martin†	316	Seattle	50	210	Real estate
Sharp family●	—	Wilmington, Del. area	—	—	Inheritance (Du Pont)
Sharp, Peter Jay	275	NYC	57	275	Real estate
Sheehan, Jean Ellen du Pont●	310	Coral Gables, Fla.	64	—	Inheritance (Du Pont)
Sherman family	296	Dayton, Ohio	—	425	Office equipment
Shoen, Leonard Samuel●	310	Las Vegas	71	—	U-Haul
Shoen family	298	Phoenix	—	300	U-Haul
Shorenstein, Walter Herbert	200	San Francisco	72	350	Real estate
Sidamon-Eristoff, Anne Phipps●	310	NYC	55	—	Inheritance
Silliman, Mariana du Pont	234	Montchanin, Del.	76	240	Inheritance (Du Pont)
Silverstein, Larry Abraham	194	NYC	56	375	Real estate
Simmons, Harold Clark	134	North Dallas; Montecito, Calif.	56	1,150	Investments
Simon, Esther Annenberg●	310	NYC	86	—	Inheritance (publishing)
Simon, Herbert★	174	Indianapolis, NYC, Beverly Hills	52	250	Shopping centers
Simon, Melvin	174	Indianapolis, NYC, Beverly Hills	60	500	Shopping centers
Simon, Norton Winfred	152	Los Angeles area	80	750	Industrialist, art collector
Simon, William Edward	186	New Vernon, N.J.	59	400	Leveraged buyouts
Simplot, John Richard●	310	Boise, Idaho	78	–	Potatoes
Singleton, Henry Earl	156	Los Angeles	70	615	Teledyne
Skaggs, Leonard Samuel Jr.	178	Salt Lake City	64	480	American Stores
Smart, Richard Palmer Kaleioku	224	Honolulu and Waimea, Hawaii	74	275	Inheritance, ranching
Smith, Athalie Irvine (Joan)●	310	Middleburg, Va.	54	–	Inheritance, lawsuits
Smith, Frederick Wallace	219	Memphis	43	295	Federal Express Corp.
Smith, Marian Uldine Day	218	Atlanta	53	300	Inheritance (Days Inns)
Smith, Richard Alan	174	Chestnut Hill, Mass.	63	500	General Cinema Corp.
Smith, Vivian Leatherberry	228	Houston	79	250	Inheritance (oil, real estate)
Smith family	298	Chicago orig.	–	810	Illinois Tool Works
Smith (Charles) family	298	Washington, D.C.	–	500	Inheritance (real estate)
Snyder, Richard Wesley	202	Dallas	49	350	Snyder General
Solow, Sheldon Henry	180	NYC	Early 50s	450	Real estate
Sorenson, James LeVoy	178	Salt Lake City	66	480	Medical devices
Soros, George★	219	NYC	56	300	Money manager
Sosnoff, Martin Toby†	316	NYC; New Canaan, Conn.	55	210	Stock market, money management
Sowell, Anne Windfohr●	310	Fort Worth	48	–	Inheritance
Spanos, Alexander Gus	176	Stockton, Calif.	64	500	Real estate
Speer, Roy Merrill	162	Clearwater, Fla.	55	600	Home Shopping Network
Spelling, Aaron●	308	Holmby Hills, Calif.	64	–	Television
Spiegel, Abraham★	218	Beverly Hills	81	300	Columbia Savings & Loan
Spielberg, Steven Allen★	240	Beverly Hills, et al.	39	225	Movies
Stahl, Stanley Irving	201	NYC	63	350	Real estate
Steinberg, Saul Phillip	154	NYC	48	660	Financier
Stephens, Jackson Thomas	168	Little Rock	65	500	Investment banking, oil, gas
Stephens, Wilton Robert	168	Little Rock	79	500	Investment banking, oil, gas
Stern, Leonard Norman	137	NYC	49	1,000	Pet supplies, real estate
Stone family	298	Chicago	–	540	Stone Container
Strawbridge, George Jr.●	310	West Chester, Pa.	48	–	Inheritance (Campbell Soup)
Stroh family	298	Detroit	–	500	Inheritance (beer)
Stuart, Dwight Lyman●	310	Beverly Hills	62	–	Inheritance
Stuart, Elbridge Hadley Jr.●	310	Bellevue, Idaho	70	–	Inheritance
Stuart family	298	Bellevue, Idaho; Los Angeles	–	400	Inheritance (Carnation Co.)
Sulzberger, Arthur Ochs	182	NYC	61	440	New York Times Co.
Sulzberger, Iphigene Ochs	182	NYC	95	440	New York Times Co.
Sutherland family●	—	Kansas City, Mo.	—	—	Sutherland Lumber
Swanson, Robert A.†	316	San Francisco area	39	200	Genentech
Swig family	298	San Francisco	–	550	Real estate
Syms, Sy	235	Lyndhurst, N.J.	61	240	Syms Corp.

★New entry ☆Returnee ●Dropout †Near miss

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T					
Taper, Sydney Mark	208	Beverly Hills	85	$320	First Charter Financial Corp.
Tauber, Laszlo Nandor	180	Potomac, Md.	72	450	Real estate
Taubman, Adolph Alfred	122	Bloomfield Hills, Mich.	62	1,500	Real estate
Taylor family	300	Boston orig.	–	700	Inheritance (publishing)
Temple family	300	Diboll, Tex.; et al.	–	1,000	Inheritance (timber)
Terra, Daniel James☆	234	Chicago; Washington, D.C.	76	245	Lawter International, art
Thalheimer, Louis	174	Baltimore	43	250	Inheritance (oil)
Thompson family	300	Dallas	–	380	Inheritance (Southland Corp.)
Thorne, Oakleigh Blakeman	168	Millbrook, N.Y.	55	530	Commerce Clearing House
Tisch, Laurence Allan	136	NYC; Rye, N.Y.	64	1,000	Loews Corp.
Tisch, Preston Robert	136	NYC; Harrison, N.Y.; Wash., D.C.	61	1,000	Loews Corp.
Tompkins family●	—	San Francisco	—	—	Esprit de Corp.
Tramiel, Jack★	194	Zephyr Cove, Nev.; Saratoga, Calif.	59	375	Atari Corp.
Trump, Donald John	150	NYC	41	850	Real estate
Turner, Robert Edward (Ted) III	180	Roswell, Ga.	48	465	Turner Broadcasting System
Tyson, Barbara★	188	Fayetteville, Ark.	38	325	Inheritance (Tyson Foods)
Tyson, Donald John	188	Springdale, Ark.	57	400	Tyson Foods
Tyson, Randal William●	306	Fayetteville, Ark.	dec.	–	Tyson Foods
U					
Ueltschi, Albert Lee☆	218	Greenwich, Conn.	70	300	FlightSafety International
Upjohn family	300	Kalamazoo, Mich.	–	2,300	Inheritance (Upjohn Co.)
V					
van Beuren, Hope Hill (Happy)	224	Middletown, R.I.	53	285	Inheritance (Campbell Soup)
Van Every family	300	N.C., S.C., et al.	–	330	Inheritance (food)
Van Kampen, Robert Donald†	312	West Chicago	48	220	Bonds, real estate
Vogel, Jacqueline Mars★	132	Bedminster, N.J.	48	1,150	Candy
von Platen, Ruth Chandler☆	215	San Marino, Calif.	89	300	Inheritance (Times Mirror Co.)
W					
Wagner, Cyril Jr.	194	Midland, Tex.	53	375	Oil, investments
Walton, James Lawrence	190	Bentonville, Ark.	65	400	Wal-Mart Stores
Walton, Sam Moore	114	Bentonville, Ark.	69	8,500	Wal-Mart Stores
Wang, An	152	Lincoln, Mass.	67	725	Wang Laboratories
Ward, Louis Larrick	174	Kansas City, Mo.	67	500	Russell Stover Candies
Wasserman, Lewis Robert	208	Palm Springs, Beverly Hills	74	325	MCA, Inc.
Wattis family	300	Ogden, Utah orig.	–	1,200	Inheritance (Utah International)
Weber, Charlotte Colket	224	Ocala, Fla.; NYC	44	240	Inheritance (Campbell Soup)
Wege family	284	Grand Rapids	–	1,000	Steelcase
Weiler family	300	NYC	–	500	Real estate
Weinberg, Harry	150	Honolulu; Baltimore, Md.	79	800	Real estate, securities
Weinberg, John Livingston★	238	NYC	62	225	Goldman, Sachs & Co.
Weis, Robert Freeman	156	Sunbury, Pa.	68	510	Weis Markets, Inc.
Weis, Sigfried	156	Lewisburg, Pa.	71	620	Weis Markets, Inc.
Wexner, Bella	198	Columbus, Ohio	mid-70s	365	The Limited, Inc.
Wexner, Leslie Herbert	118	Columbus, Ohio	50	2,100	The Limited, Inc.
Weyerhaeuser family	300	St. Paul, Seattle, et al.	–	1,000	Inheritance (timber)
Whitney, Betsey Cushing Roosevelt	200	Manhasset, N.Y.	79	350	Inheritance
Whittier family	302	Southern California	–	700	Inheritance (oil)
Wien, Lawrence Arthur	200	NYC	82	350	Law, real estate
Wirtz family	302	Chicago	–	400	Inheritance (real estate)
Wolfe family	302	Columbus, Ohio; et al.	–	575	Inheritance (newspapers)
Wrigley, William★	204	Lake Geneva, Wis.; Chicago	54	345	Chewing gum
Y					
Yates family	302	Artesia, N.M.	–	300	Oil
Z					
Zell, Samuel	206	Chicago	45	330	Real estate, investments
Ziff, William Bernard Jr.	146	Manalapan, Fla.; Pawling, N.Y.	57	975	Publishing
Zuckerman, Mortimer Benjamin	202	NYC; Washington, D.C.	50	350	Real estate

★New entry ☆Returnee ●Dropout †Near miss

Statistical Spotlight

Had you built a stock portfolio based on our first Forbes Four Hundred issue, how would you have done?

Not bad

By Ignatius Chithelen

If THE Forbes Four Hundred are so rich, are their companies smart investments? Some are. Some aren't. The first edition of the list, in 1982, included fortunes based on the publicly held stocks listed below. Some rose spectacularly—Sam Walton's Wal-Mart up 617%, Leslie Wexner's Limited up 1,510%. Berkshire Hathaway, Walt Disney, Washington Post Co.—all at least quadrupled.

But more than half (32) underperformed the S&P 500. Anyone who invested in two of Victor Posner's companies now owns penny stocks. An Wang's Wang Labs stock more than doubled in 1983 but today is 66% lower than in 1982.

Net result: Had you put $100,000 in each of the 61 firms at the time, your $6.1 million investment would now be worth $18.9 million. Had you put that $6.1 million in the S&P 500, you would have $16.3 million. (All values were adjusted for splits and spinoffs but exclude dividends.) But before rushing to create a portfolio based on this year's Four Hundred, remember that when the stock is at its highest, the owner is at his richest, and so most likely to be on the list. Best to buy before he gets on our list. ■

The rich got richer, mostly

You could have done worse than investing in these Forbes Four Hundred companies in 1982.

Name/company	1987 value of $100,000 investment	% change
Abercrombie/Cameron Iron Works	$ 97,491	–3%
Albertson/Albertson's	621,087	521
Blaustein/Crown Central Petro	94,286	–6
Brown/Brown Forman	129,735	30
Buffett/Berkshire Hathaway	559,420	459
Busch/Anheuser-Busch	339,326	239
Cox/Dow Jones & Co	236,838	137
de Menil/Schlumberger	115,723	16
Disney/Walt Disney	482,640	383
Dorrance/Campbell Soup	297,987	198
du Pont/E I Du Pont	307,143	207
Ford/Ford Motor	761,221	661
Fuqua/Fuqua Industries	476,489	376
Galvin/Motorola	238,583	139
Graham/Washington Post	418,333	318
Grainger/W W Grainger	240,278	140
Heinz/Heinz	420,875	321
Hess/Amerada Hess	115,000	15
Hewlett, Packard/Hewlett-Packard	191,317	91
Hilton/Hilton Hotels	183,799	84
Jobs/Apple Computer	347,399	247
Kieckhefer/Weyerhaeuser	138,721	39
Knight, James/Knight-Ridder	254,842	155
Knight, Phillip/Nike	100,000	0
Kroc/McDonald's	314,773	215
Mandel/Premier Industrial	284,184	184
Marriott/Marriott	360,665	260
Mitchell/Mitchell Energy & Dev	93,333	–7
Moore/Intel	293,243	193
Olsen/Digital Equipment	369,249	269
Paley/CBS	369,845	270
Petrie/Petrie Stores	234,711	135
Posner/DWG	$275,000	175%
Posner/NVF	11,200	–89
Posner/Pa Eng	72,727	–27
Robins/A H Robins	142,763	43
Rollins/Rollins	344,518	245
Shakarian/GNC	71,322	–29
Singleton/Teledyne	304,206	204
Smith/General Cinema	1,208,257	1,108
Thorne/Commerce Clearing House	248,402	148
Turner, Ted/Turner Bdcstg	159,677	60
Vollum/Tektronix	185,754	86
Walton/Wal-Mart	716,796	617
Wang/Wang Labs	34,043	–66
Wasserman/MCA	256,614	157
Weis/Weis Markets	348,962	249
Wexner/Limited Inc	1,610,000	1,510
Woodruff/Coca-Cola	322,833	223
Zimmerman/Pic 'n Save	261,010	161
Merged*		
Belfer/Belco Petroleum	297,180	197
Darrin/Automatic Switch	160,544	61
Getty/Getty Oil	324,625	225
Keck/Superior Oil	200,670	101
Kerkorian/MGM Grand Hotels	265,842	166
Kerkorian/MGM/UA	433,023	333
Nielsen/A C Nielsen	229,045	129
Perot/EDS	228,157	128
Rogers/Mary Kay Cosmetics	356,936	257
Taper/First Charter Financial	217,353	117
Turner, Tom/Sigmor	150,410	50
Total	18,926,209	210
S&P 500	16,287,000	167

*For all merged companies, the 1987 price is based on per share value at time of merger, plus equivalent of T bill reinvestment.